FBIS DAILY REPORT

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PRESIDENT BIGNONE MEETS POPULAR LEFT LEADERS

PY181334 Buenos Aires BUENOS AIRES HERALD in English 16 Oct 82 p 9

[Text] Argentina should "continue the financial, economic, and military battle for the Malvinas Islands, depending on what circumstances dictate," leaders of the Popular Left Front (FIP) told President Reynaldo Bignone yesterday. The FIP leaders also proposed a "conference of Latin American foreign ministers or presidents to negotiate a common postponement" of their countries' foreign debt payments to the world bank international banking community [as published].

The talk with FIP leaders ends President Bignone's round of meetings with political party leaders which began more than a month ago when Bignone received leaders of the Radical Party. In a statement given to Bignone, the FIP said: "It does not matter, for now, if we know the reasons why General (Leopoldo) Galtieri and the commanders at that time decided to undertake these operations on our islands."

[Buenos Aires TELAM in Spanish at 1130 GMT on 16 October adds: "Jorge Abelardo Ramos, FIP leader, revealed that he had conveyed to General Bignone Bolivian President Hernan Siles Zuazo's concern for holding a high level Latin American meeting to discuss ways of paying the region's foreign debt. Ramos revealed this after the meeting his party held with the president at the Olivos residence. Ramos stated that in the meeting he told Bignone that Siles Zuazo intends the meeting to be at the presidential level or at least at the level of foreign ministers."]

FOREIGN MINISTER ON COLOMBIA'S FALKLANDS PLAN

PY181800 Buenos Aires BUENOS AIRES HERALD in English 18 Oct 82 p 5

[Text] Foreign Minister Juan Aguirre Lanari said yesterday that Colombia supports Argentine sovereignty over the Malvinas Islands, and that its proposal to declare the islands a neutral zone "will have to be studied" if a satisfactory solution is to be reached over the conflict.

Speaking to reporters at Ezeiza airport, where he welcomed Haitian Foreign Minister Jean Robert Estime on his arrival to Argentina, Aguirre Lanari referred to Colombia's proposal to the United Nations assembly last Saturday. He added that the idea that a "multinational" body be put in charge of the islands does not reflect any change of strategy in the pro-Argentine attitude Colombia has held over since the conflict in the South Atlantic, he added.

"Colombia is showing a path it believes viable" for ending the South Atlantic conflict, Aguirre Lanari said, while he recalled that "nothing can be said yet" about a possible solution by the UN General Assembly, since "several countries have not stated their position."

Referring to the visit of the Haitian foreign minister, Aguirre Lanari said he is "a visitor from a friendly country who is coming to see another friendly country" and added that "this is the time for Argentine to thank all those countries which -- like Haiti -- have shown their solidarity with us."

PERU'S LLOSA ON FALKLANDS, BILATERAL TIES

PY190011 Buenos Aires Domestic Service in Spanish 2000 GMT 18 Oct 82

[Text] The Peruvian deputy foreign minister has reasserted Peru's traditional support of Argentina regarding the Malvinas issue. Your foreign minister and I have reviewed all the background information on the issue, Jorge Guillermo Llosa said, and we believe that we still need to continue to wage the battle. For this reason, we will continue to be together, because the greater the trouble the closer to our long-standing Argentine brothers we will be.

The distinguished visitor made these statements on leaving the office of Argentine Foreign Minister Juan Ramon Aguirre Lanari and on beginning his official stay in Argentina.

The Peruvian diplomat added that he is visiting Argentina at the invitation of the Argentine Foreign Ministry. He added that he is a close friend of Aguirre Lanari. We were colleagues in Caracas while representing our respective countries, and we became friends there, the same as with other Latin America diplomats.

I believe that the ties between Argentina and Peru have strengthened, they have become closer and more active. This is the reason for my being in Argentina, where I will sign bilateral cooperation agreements which are of inter-American and of world interest. Nevertheless, my visit's main objective is to exchange views.

Regarding the Malvinas conflict, the Peruvian deputy foreign minister stated that Argentina has the support of all the Latin American nations at the United Nations. This is a major success because the small disagreements that existed have disappeared and we currently form a really united front.

BIGNONE MEETS PERU'S LLOSA, HAITI'S ESTIME

PY182326 Buenos Aires Domestic Service in Spanish 2000 GMT 18 Oct 82

[Report from Government House]

[Excerpts] Close to noon, President Bignone received Peruvian Deputy Foreign Minister Jorge Llosa, who greeted him upon his arrival in Argentina. During his stay, Llosa will hold meetings related to the nuclear policy for peaceful ends which Peru is currently implementing.

President Bignone's last meeting this morning was with Haitian Foreign Minister Jean Estime.

HAITI'S FOREIGN MINISTER CONTINUES VISIT

PY190104 Buenos Aires Domestic Service in Spanish 2000 GMT 18 Oct 82

[Text] Haitian Foreign Minister Jean Estime stated today that Haiti will support all resolutions permitting a prompt, peaceful and negotiated solution to the South Atlantic conflict and the lifting of the blockade in that area.

Jean Estime made statements at the end of the 90-minute meeting that Argentine and Haitian officials held in the Green Room of the Foreign Ministry.

Regarding the proposal on the Malvinas conflict that Colombia submitted at the United Nations, Estime said that it was something very recent. He said, however that it was interesting and it should be studied.

Regarding the possibility that Haiti might vote in favor of either the Latin American or the nonaligned projects, Estime stated that Haiti is not a member of the Nonaligned Movement. For this reason, Haiti supports the Latin American proposal.

Estime concluded by saying that technical, scientific and economic subjects were discussed during the meeting held at the Foreign Ministry. He added that an attempt was made to jointly draw up plans in those fields. Prior to the meeting with Argentine Foreign Ministry officials, Estime met with Foreign Minister Juan Ramon Aguirre Lanari, with whom he talked for several minutes.

INCIDENTS REPORTED AT 18 OCT PERONIST RALLY

PY190124 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0053 GMT 19 Oct 82

[Text] Buenos Aires, 18 Oct (NA) -- More incidents are taking place among several hundred Peronist demonstrators gathered at the Atlantic soccer stadium.

As Deolindo Bittel, the Peronist first vice president, was speaking, groups chanting adverse slogans began to cause disorder. The incidents were caused by approximately 200 persons located in areas next to the stadium stands.

U.S. Flag Burned

PY182355 Buenos Aires DYN in Spanish 2314 GMT 18 Oct 82

[Text] Buenos Aires, 18 Oct (DYN) -- A flag of the United States of America was burned tonight at the Atlanta Club soccer field by a group of Peronist youths who are attending a rally organized there by the Justicialist Party to mark the 17 October 1945 anniversary. The crowd cheered the action of the youths who jumped over the fence and burned the flag in the center of the field.

PRICE CONTROL SYSTEM TO BE MADE MORE FLEXIBLE

PY162149 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1520 GMT 15 Oct 82

[Text] Buenos Aires, 15 Oct (NA) -- The Economy Ministry and the Argentine Industrial Union (UIA) have agreed to adopt a series of measures aimed at making the price control system more flexible. These measures include the authorization to businessmen to recover the cost of wage increases.

The measures that were agreed on between the Economy Ministry and the UIA ended the rift that the price control system had caused between the government and the UIA.

According to the new measures, businessmen will be entitled to recover the cost of wage increases and to increase prices retroactively, in keeping with the cost of wage adjustments. It is believed that this mechanism will cause a price increase of 1 percent above the monthly increase in the cost of living.

The main measures that were agreed on between the Economy Ministry and the UIA are: The establishment of an exchange insurance to acquire imported inputs; transfer of recent wage increases to prices, and the possibility of immediately increasing prices without waiting for the agreed deadline, provided it is a justified procedure.

At the end of the meeting, UIA President Jacques Hirsch stated that the lifting of the "state of emergency in the business sector" will be announced today. The state of emergency was declared 2 weeks ago in support of the request that was made to the government that a reactivation policy be implemented.

However, Hirsch's assertion is reportedly not shared by the other UIA leaders, which is causing disagreement between the UIA factions to increase.

"The state of emergency was not declared because of the price control system. The only subject that we discussed here today was price control," UIA Vice President Jose Luis Coll stated. Other businessmen added that the state of emergency was proposed by Franco Speranza, president of the Association of Metallurgical Businessmen, because of the serious problems that the lack of an industrial reactivation policy is causing.

INDUSTRY MINISTER WANTS EMERGENCY PLAN APPROVED

PY182249 La Paz Radio Illimani Network in Spanish 1100 GMT 16 Oct 82

[Excerpt] Industry and Trade Minister Jorge Crespo has stated that the government cannot give final and overall solutions to the problems that the various productive sectors are experiencing while the new plan for attaining an economic recovery has not yet been approved.

During a press conference that was held yesterday, Jorge Crespo stated that a truce has been made with these sectors, which will continue until the emergency plan is approved.

LABOR MINISTER ON JOB TENURE BY PUBLIC SERVANTS

PY182329 La Paz Radio Illimani Network in Spanish 1100 GMT 16 Oct 82

[Excerpts] Labor Minister Robert Arnez has stated that honest and competent public servants will not be dismissed in the future. He also asserted that incompetent officials and those who have committed crimes against the public administration will be subject to sanctions. Arnez made these statements during a press conference held yesterday. The labor minister asserted that the government does not intend to conduct a large-scale dismissal of employees.

During the press conference, Arnez also referred to the subject of the minimum, adjustable wage that the mineworkers are claiming. Following is Arnez' statement on this topic: [Begin recording] The members of the Mineworkers Federation have outlined their views on the minimum, adjustable wage issue. They contend that the tripartite commission carried out studies that might serve as a basis for resolving this issue. They want to hold negotiations with the government based on the conclusions that are contained in the commission's report. The views of the Mineworkers Federation are in accordance with the government's aspirations and objectives because they approach this issue in an objective and realistic way. [end recording]

Arnez also said that the Bolivian wage issue will be analyzed by the Labor Ministry.

On speaking aobut job tenure by public servants, the labor minister said: [Begin recording] I have read newspaper articles on the analysis and the opinions that the various sectors are making and giving regarding the job tenure issue. We have been maintaining in the past few days that the job the public servants are doing is an honorable one, and the present government does not intend to hurt them. However, honest and competent public servants were very seriously affected during the former regimes, which did not observe Bolivian laws and regulations in force. [end recording]

COLOMBIA TO ATTEND MEETING ON DEBT RENEGOTIATION

PY152156 La Paz Radio Illimani Network in Spanish 1100 GMT 15 Oct 82

[Text] President Hernan Siles Zuazo last night announced that Colombia has agreed to attend a meeting of Bolivarian countries [countries liberated by Simon Bolivar] which will be held in La Paz City soon in order to coordinate joint action for the renegotiation of their foreign debts.

The chief of state made this announcement in the midst of the great expectation the media created during the day.

This announcement was made through a brief statement which the president made from the Hall of Mirrors at 1950 which was broadcast by the state-owned radio station and the state-owned and university television channels.

At the beginning of his brief message the president said: [Begin recording] Yesterday, just before the first cabinet meeting, we were honored with a phone call from His Excellency Belisario Betancurt, president of the Republic of Colombia, who announced his government's agreement to attend a meeting of presidents of Bolivarian countries to be held in La Paz as soon as possible. The purpose of the meeting will be to coordinate joint action for the renegotiation of the foreign debt. [end recording]

He pointed out that the Colombian president's statement has great importance because it is made when Bolivia has peacefully returned to democracy. [Begin recording] This event has great importance because it has taken place at a significant time of our history when, as a result of the great national and popular mobilization, our fatherland has been able to return to democracy within a framework of national unity and peaceful transition. [end recording]

At the same time he praised the solidarity expressed by the fraternal delegations towards the process taking place in the country. [Begin recording] The chiefs of state and delegations that visited this country during the past few days have a clear picture of the Bolivian peoples' desire to consolidate the process which we have initiated. Those delegations have voiced their solidarity with our determination. The illustrious president of the noble Colombian nation has taken the first step toward opening the doors for strengthening the great Latin American community. [end recording]

COB INVITED TO TRADE UNION CONGRESS IN SFRY

PY162041 La Paz Radio Illimani Network in Spanish 1100 GMT 15 Oct 82

[Excerpt] The Soviet All-Union Central Council of Trade Unions has extended a special invitation to the Bolivian Labor Federation (COB) to participate, through a representative, in its next ordinary congress which will take place in Yugoslavia on 11-14 November.

This announcement was made by Aldo Flores, press secretary of the COB, who explained that this invitation was reiterated yesterday by the Yugoslav ambassador in our country.

[Begin Flores recording] This is a meeting of their confederation of trade unions, a meeting which will be attended by various delegates from the Latin American countries that have been invited. It is an ordinary meeting of Yugoslav trade unions. It will give us a wonderful opportunity to get to know the situation in Yugoslavia and to exchange information concerning our situation and that of this fraternal nation. [end recording]

Flores also said that during his encounter with the Yugoslav ambassador the latter voiced his solidarity for the struggle of the Bolivian people and his growing interest in the democratic process that has been launched in Bolivia.

GOVERNMENT ASKED TO PROBE MISSING PERSONS CASES

PY151832 Paris AFP in Spanish 1441 GMT 15 Oct 82

[Text] La Paz, 15 Oct (AFP) -- In a letter addressed to Interior Minister Mario Roncal Antezana, the Bolivian Labor Federation has requested that investigations be conducted into the fate of those persons who were reported missing during the regime of Gen Luis Garcia Meza (1980-1981), it was reported here today. The letter highlighted the cases of Elias Raphael Flores, 23; Jose Luis Martinez Machicado, 35; Renato Ticona Estrada, 29; and Jaime Daza Velasco, 40.

Almost all of the above persons were detained in the security service quarters with the exception of Ticona Estrada, who was held at the Army Staff building.

SARAIVA GUERREIRO MEETS ITALY'S PERTINI, COLOMBO

FY190215 Brasilia Domestic Service in Portuguese 2200 GMT 18 Oct 82

[Octavio Bonfim's report from Rome]

[Text] During a private meeting the Brazilian and Italian foreign ministers reviewed international issues. Foreign Minister Colombo expressed special interest in learning the Brazilian view on the status of the inter-American system after the Malvinas crisis. Saraiva Guerreiro told Colombo that Brazil is fully aware that the system will survive and that the crisis will be overcome in time.

Late this afternoon, Saraiva Guerreiro paid a courtesy call on Italian President Sandro Pertini.

Tomorrow, Saraiva Guerreiro will meet with the president of the Chamber of Deputies and with the chairmen of the foreign committees of the Italian Senate and Chamber of Deputies.

Further Meeting With Colombo

FY182308 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 18 Oct 82

[Text] Rome -- Brazilian Foreign Minister Ramiro Saraiva Guerreiro and his Italian counterpart, Emilio Colombo, have agreed to endorse the need for Argentina and Great Britain to resume dialogue. During a 3-hour meeting, the two ministers agreed that the resumption of dialogue is paramount to achieving rapprochement between Europe and Latin America whose relations have been estranged since the Malvinas war. They also agreed that dialogue is also paramount to securing world peace and stability. Saraiva Guerreiro, who is making a 3-day official visit to Italy, will be received in private audience by Pope John II.

MILITARY SOURCE ON GUYANA'S INTEREST IN ARMS

FY150232 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Oct 82 p 6

[Text] Guyana would like to buy in Brazil a great deal more than a fleet of troop carriers and a couple of Bandeirante turboprops. In fact, the Georgetown government would like to have some of the first class military materiel manufactured in Brazil; from FAL rifles manufactured by IMBEL [Ordnance Industry] to the armored vehicles built by Engesa [Specialized Engineers, Inc], including the rockets made by Avibras [Brazilian Aviation Co], grenades, artillery ammunition and recoilless rifles. This information was yesterday confirmed by a military officer involved in this sector who believes that for the time being "the main problem of the Guyanese is how to reconcile three different factors; what they would like to buy, what they really need and what can they afford to spend on arms.

During his recent visit to Brazil, President Linden Forbes Burnham's advisers did not restrict themselves to actively distributing pamphlets explaining Guyana's position toward the issue over the Essequibo region (which it treats as a matter of "territorial integrity") which is being claimed by Venezuela.

They also held secret meetings during which they tried to obtain as much information as possible about the exportable military materiel manufactured in Brazil. In sum, they would like to have 300-mm SS-60 rockets that have a range of 68 kilometers; SBAT-70 air-to-surface rockets; light Cascavel EE-9 tanks; Urutu EE-11 amphibious armored vehicles; R-108 rocket launchers for air saturation; 9-mm machine pistols; 57 and 108-mm recoilless rifles; ammunition for 81 and 120-mm mortars; ammunition for 20, 37, and 90-mm cannons; 2.36-mm antitank rockets; "offensive," "defensive" and "antipersonnel" hand grenades; antitank and antipersonnel land mines; nightscopes and laser range finders.

However, it will be difficult to find the money for these wishes. The last known military budget in Guyana was for 1980 and it amounted to $18 million. This sum would pay, for example, for a small unit of Cascavel EE-9 and Urutu EE-11 tanks, spare parts for them and some support materiel. The percent of military forces in Guyana is equally low, 7,000 men out of a population of 885,000. President Burnham can always call upon the treaty signed with Cuba and receive military support from Havana. However, according to Brazilian experts, this "would be a very remote possibility because it would imply the well-known and uncomfortable presence of 'advisers' of the popular expeditionary force like the ones Havana keeps in Angola, Mozambique, Nicaragua, Grenada and South Yemen, with disastrous results."

Military officers involved in military industries recall that the deals arranged "can do little or nothing to change the power balance between Venezuela and Guyana," and stressed that the two Bandeirantes planes which Guyana wants (perhaps under the leasing system) can under no circumstances be viewed as attack planes, just as the heavy trucks which have been selected can hardly be considered the vehicles for an offensive.

Against Georgetown's modest capabilities, the Venezuelans can set into motion a well-assembled war machine of 40,800 men, 182 modern tanks (142 AMX-30 and AMX-13), several types of missiles and a powerful air force which in the coming months will have 24 supersonic F-16 Falcon planes, the latest generation of air-to-surface and air-to-air attack planes manufactured in the United States. Using planes of this type Israel destroyed the Ozirak nuclear reactor in Iraq.

NO OFFICIAL COMMENT ON ARMS DEAL WITH GUYANA

PY181226 Rio de Janeiro LATIN AMERICA DAILY POST in English 17/18 Oct 82 p 1

[Excerpt] Brasilia (DAILY POST) -- The Brazilian Government Saturday declined to comment on reports that Brazilian-made armored cars, medium-range rockets, bombs and patrol and training aircraft would be sold to neighboring Guyana. "We do not comment on arms sales," said a government spokesman when queried about the report, which appeared in the financial newspaper GAZETA MERCANTIL on Friday. At the same time the spokesman said Brazil remains neutral with respect to the border dispute in which Venezuela claims the Essequibo region which accounts for some five-eighths of Guyanese territory.

In a front-page report, GAZETA MERCANTIL said Brazil had agreed to lend Guyana $50 million over 10 years with two years' grace and interest of 2.5 percent yearly to finance the arms purchase, with the possibility of a further $30 million if needed. The newspaper also cited a "high source close to the president" as saying that another part of the arms and finance deal provided for the Brazilian State Petroleum Company Petrobras to start prospecting in Essequibo.

Gen Danilo Venturini, secretary of the National Security Council, told GAZETA MERCANTIL that "Brazil would not export material which either through its volume or its quality would put at risk the balance between two countries." Military sources said that equipment of the type Brazil is selling to Guyana would not alter the current situation, and noted that Venezuela possessed advanced airplanes supplied by the United States and France.

Guayanese diplomatic sources in Brasilia declined to comment on the reports but said that there was also a "political, or at least a symbolic, sense" to any foreign arms sale.

Brazilian Foreign Ministry spokesman Bernardo Pericas said that Brazil remained neutral with respect to the Essequibo dispute and continue to hope that Venezuela and Guyana would be able to solve it peacefully within the terms of the United Nations Charter.

ECONOMY MINISTER 'LUDERS' ADDRESS TO NATION

PY181437 Santiago Domestic Service in Spanish 0033 GMT 16 Oct 82

[Economy Minister Rolf Luders' message to the nation from Santiago on 16 October -- recorded]

[Text] Good evening. I have deemed it necessary to address the nation for the purpose of reporting on some aspects of the status of the country's public finances.

Nobody can deny that our country is currently experiencing a serious economic recession after several years of unprecedented prosperity. This prosperity was the result of the economic policy implemented during the present administration, although it also derived from a situation of recovery and an unprecedented influx of foreign resources. For this reason, we must introduce some important changes that will make our economy capable of growing rapidly and in a self-sustained way.

For this reason, two objectives must immediately be attained, that is, the reactivation of the economy by reducing unemployment, and the establishment of the bases of a system that will make it possible to resolve, within the medium and long terms, the most urgent of the country's material problems. These two major objectives, which should be achieved in a coordinated manner, must be attained without resorting to any kind of dogmatism, following consistent policies under well-defined sociopolitical plans.

In the short term, emphasis should be placed on the reactivation of the economic system, and, above all, on the reduction of unemployment.

In the medium term, the main objectives should be to attain economic growth; to increase the number of jobs; to grant equal opportunities, as much as possible, to everybody within the economic system; to safeguard the country's economic independence; and to achieve price stability similar to that of our main commercial partners.

Taking into account matters of efficiency and certain traditional values of our society, and not mere (?predictions), those objectives ought to be attained within a mixed economy, where free market operation, commercial opening, foreign [words indistinct] and real government [words indistinct] play a significant role.

A strong government will achieve the common good on the basis of impersonal rules; it will also perform strict supervision and it will undertake all those necessary economic tasks which cannot be developed by private enterprise. In the short term, among other things, all of this will involve action in support of the unemployed along with some intervention aimed at solving the problem arising from business indebtedness, although this does not mean that subsidies will be granted.

For example, in the short and medium term, the government will target its efforts at eliminating extreme poverty, at financing the study of large investment projects and at lending technical and indirect financial support to small industries, to the agricultural sector and, in general, to small enterprises in other sectors. That is to say, the economic policies to be adopted will permit the maximum individual freedom compatible with the common good. In this regard, the government will cooperate with the private sector in all those areas needed for building a strong economy which will offer profitable employment conditions to Chilean manpower.

We shall maintain our policy of free prices and interest rates. Concerning exchange rates, regulations will be adopted with the only purpose of, first, limiting the temporary currency drain resulting from periods of uncertainty which might be caused by the exchange policy of neighboring countries and, second, preventing the unwanted short-term fluctuations of foreign currency exchange rates.

Concerning monetary matters, our policy will be active though not inflationary since in case the internal economic system undergoes a recovery, in no way will we permit an inflationary demand pressure to develop.

Current price increases have been caused by recent successive devaluations and they will result in small deficits in 1982 and 1983. However, such deficits will be smaller than the drop in national revenue due to the recession itself. In other words, the basic fiscal policy will continue to favor balance and it will carefully avoid all inflationary pressure which might develop from the above causes.

Fiscal expenditures will continue to be reduced both in real terms and in terms relative to the Gross Domestic Product [GDP], and they will be reapportioned to sectors that will generate more employment. It should not be forgotten that part of that reduced fiscal expenditure -- about 20 percent in 1983 -- will go to implementing the new social security system, a system for individual capitalization, and that its greatest portion is directed at giving the entire system the incentive for more just distribution.

The tax reform will be aimed at providing incentive for saving, investment and austerity, without eliminating progressive personal income tax but limiting as much as possible any tax-caused distortion in the allocation of resources. Commercial and financial opening will be maintained, and there will be neutrality in the treatment given to the various sectors of the economy, although the production of export goods will be encouraged. I must also say that antidumping measures allowed under GATT rules, as strong as each case may call for, will be applied.

Regarding labor and income, the functioning of the labor market to ensure maximum employment with just salaries will be gradually improved. The basic rule for distribution will be how much the individual directly or indirectly contributes to production, and this rule will be supplemented with the system's distributive effort to provide equal opportunities, to protect those who are physically or mentally handicapped to have a minimum income, and to maintain the retired and others.

The reforms necessary to stimulate the formation of risk capital, in order to relatively reduce the volume of credit in the economy, will be gradually introduced.

Finally, it is necessary to note that the measures that general policy calls for, and even the development of specific policies, will be subject to consultation with and to the participation of the best experts the country has, to ensure the maximum stability of the institutional apparatus that will thus be set up.

Everything in 1980 led one to believe that the country had begun a period of high-rate and self-sustained growth, permitting it to emerge from the stage of underdevelopment. This belief was communicated abroad and it was shared by the foreign banking system. The same belief created an unprecedented demand for credit to satisfy the need for durable consumers goods and for other resources for investments.

There was a willingness abroad to grant more credit to Chile. That credit was avidly taken because the foreign exchange policy made it appear that such credit cost less than the internal credit in national currency. This phenomenom of massive indebtedness was facilitated by the implicit state guarantee for deposits in financial institutions under the Central Bank's control. It gave rise to a sharp expansion of expenditures in the country. At the same time, the world recession brought down the prices of our main raw material exports and pushed the service rates of our foreign debt upwards. These two factors worsened the imbalance between the inflow and outflow referred to before, resulting in an excessive outflow during the first half of 1981 of some $3 billion per year, a third of which was caused by the international recession.

This phenomenom caused a high level of indebtedness in proportion to the assets of businesses and families. The decision to contract debts was made at a time when the real interest rates came close to the international rates, when the financial opening made one suppose that those rates would be sustained, when the enterprises thought the country had attained a stage of rapid and self-sustained growth, and when people earned rapidly increasing real wages.

The problem came when it became obvious that external resources could not continue to flow in at the 1980 and 1981 rate, consequently we had to have an internal readjustment. The reduction of the level of activity, the increase of the real interest rates, unemployment, the decline in real wages, the effect of international recession on the price of many products, all contributed to accelerating the seriousness of the financial problem for businesses and families, a problem which eventually fell on the financial system itself through overdue loans. In this regard, efforts should be made to permit the economic agents to resume normal activities as soon as possible.

If we want the country to grow again and to be able to solve the problems of unemployment and low wages, we have to create the conditions for enterprises to make reasonable profits and, at the same time, seek mechanisms for renegotiating their debts, at no cost to the state, to permit those enterprises to resume their normal [words indistinct]

Everybody knows the situations. This year our GDP should drop by approximately 13 percent with respect to 1981. Industrial production in August 1982 fell by 18.2 percent with respect to the same month in 1981. In August 1982, sales of foodstuffs, clothing, construction industry inputs and electric appliances dropped by 9.1, 20.4, 51.0 percent, respectively, compared to August 1981. Unemployment exceeds 20 percent and businesses are facing undesirable indebtedness levels and are suffering substantial capital losses which have made reactivation more difficult.

On the external market, our country has to cope with low prices and interest rates which are quite high compared with traditional figures. There is a tendency toward protectionism, resisted by the main Western countries, along with a willingness to block new credits for countries in our region. Fortunately, we have not been significantly hurt by this attitude because our internal order, fiscal discipline and the general lines of our economic policy have placed us in a position which is clearly different from that of other countries.

Finally, Chile has a high foreign debt. On 30 June 1982, our medium-and short-term debt reached $13.5 billion, 65 percent of which corresponds to the private sector and the balance to the public sector. Approximately $3,640,000,000 will be needed just to pay principal and interest next year. We expect to finance this amount with the routine renewal of medium- and long-term credits, through obtaining a new $1.7 billion loan -- that will provide funds for public works that generate jobs and for other public projects -- and through the balance of trade surplus, which is expected to surpass $700 million.

The agreement which has just been negotiated with IMF officials will undoubtedly facilitate financing the above amount, but the balance of trade surplus is a clear indication of the tremendous effort that the entire population will have to make in order to meet our country's obligations.

Although the economic situation is extremely serious, it is a source for opportunities for short-term economic growth. As we said, during this stage the country should simultaneously reactivate its economy and make the necessary changes that will permit us to enter a stage of self-sustained growth. Reactivation will no doubt alleviate the unemployment problem but it will be absolutely imperative to implement -- as we are already doing -- a series of complementary public works programs aimed at absorbing as many of the unemployed as economically feasible.

Self-sustained growth along with a proper incomes policy will help to cut down unemployment productively and decisively, slowly but firmly.

We have appointed the most widely known experts of Chile to a commission -- and we will also invite foreign experts -- to propose additional measures in this area, if such measures are deemed necessary.

On the one hand, the reactivation of the economy will be attained by putting into practice a set of policies which are being simultaneously implemented and which are a logical consequence of the diagnosis and the principles that we analyzed above. Among them we will note:

1. Restoring the money supply to the real value it had in June 1981. A suitable economic policy was announced to this end. The success of this policy will depend on the expectations and on price levels set by private enterprises in the next months. In this regard, Central Bank actions will be conditioned on the behavior of economic agents.

2. Restricting the use of our foreign reserves.

3. Channeling through the Central Bank and other participating banks resources that will make it possible to absorb some of the unemployed labor and to reactivate labor-intensive activities which can spread the recovery throughout the country.

4. Implementing mechanisms that will make it easy for businesses to renegotiate their debts with financial institutions, in a way that does not imply granting state subsidies, so that those businesses can resume their normal level of activity. These mechanisms will be supplemental to the established preferential dollar which will reduce the expenditures of enterprises and families by 32 billion pesos in the last quarter of this year and by more than 40 billion pesos next year.

5. Levying a special tax to promote exports and providing state support apparatus, while maintaining a foreign exchange rate to permit the rapid reactivation of non-traditional exports.

6. The effective implementation of antidumping measures in those cases in which such actions are justified under GATT rules.

7. Adopting a monetary policy that will lead to an interest rate in line with the need for reactivation. Due to the very mechanics of monetary management, it should be said that that rate will be set at a real level because Chile has a shortage of capital, Over the short term, that rate will be lower than the rate that can be maintained in the country over the medium- and long-term. It is to be expected that the minimum internal rate will be determined by the real international interest rate.

At any rate, we will adopt a policy to prevent as much as possible real interest rates on loans from reaching the level they had in recent years during which they were not only very high but also quite unstable .

8. Implementing an equitable salary policy that is compatible with reactivation and permits greater employment. Furthermore, self-sustained growth requires above all a stable set of consistent policies, like those I announced at the beginning of my speech, so that the economic agents may invest and can expand their various activities, and also so that there can be the social peace and order which the process needs.

We believe that the basic principles of the current economic system, which befits our tradition, must continue to serve as the basis for our development; private property, free market economy, financial and commercial opening, and a strong government which sets rules, controls and plays a supporting economic role.

The implementation of those principles, however, permits the adoption of different specific plans depending on the circumstances, and requires the participation in varying degrees of a greater number of knowledgeable people, with the only condition that they respect the ground rules and accept the decisions of those responsible for decision making.

We must find specific answers to our economic problems for the benefit of each and every citizen, not seeking to impose a given ideology. The same attitude must obviously be required of those who want to participate in the process.

This participation that we are proposing cannot however give results unless there is a sharp increase in the rate of saving in the country. Perhaps this is not the time to initiate a savings program, but we must do so as soon as the reactivation is underway, we hope within the next 6 months.

It is also necessary to make efforts to bring about an important change in the financial structure of businesses to permit them to increase the share of subscription capital in their assets. Of course, a proper allocation of resources calls for a minimum of discrimination among the various sectors of the economy. Our intention is to uphold this wholesome principle. However, it is proper for the economic policy to be pointed in a given direction, to a sector that will lead the way. In Chile this sector must be exports, not only because we must have an opening to produce efficiently and raise our standard of living, but because we must service our hefty foreign debt.

By the law of comparative advantage, the growth of the export sector offers the possibility for expanded agricultural production, strong labor-intensive small-scale industry and the improvement and updating of the technological level of the entire productive apparatus.

Therefore, we will -- on a priority basis -- on the medium- and long-term, work to keep export activities profitable, mainly through an adequate rate of exchange. This policy may be complemented with additional measures when circumstances require them. The remaining activities aimed at producing marketable goods should obviously also be profitable if exports are and there are no noticeable discriminations. Therefore, in view of the interest which there will always be at macroeconomic policy level over the profitability of export activities, the country will start to show a very small but strong tendency in favor of the production of goods instead of the current tendency toward the excessive growth of services.

It is true that this type of policy cannot be institutionalized and it should stem from the peoples' conviction regarding the convenience of export activity and as a result the production of goods in general; but we believe that this conviction at present is fully shared. Moreover, this point of view has inspired all the remaining small and open countries which have been successful in the growth strategies.

Ladies and gentlemen, it is a fact that at present Chile is facing economic adversity, but history has taught us that our country has never surrendered to adversity. In order to overcome this adversity, I have been entrusted with an urgent mission which I am determined to fulfill with the cooperation of the best elements available in the country. The first requisite to achieve success is to be fully aware of the magnitude of the problems we are faced with, which we are. The second is the rational confidence that we have the adequate and suffient means to overcome those problems; and we have that confidence.

We know that the economic recovery will not be easy or fast; on the contrary, it means taking a path full of obstacles. But we are certain that we will be able to overcome them and that we can start right away if we unite our efforts in the task ahead of us. At this time we cannot afford to listen to the eternal dreamers, to those who only believe in the magic of state intervention to solve situations which demand dedication, intelligence and the effort of each and every one of us as an individual.

Basically speaking, our economy is sound and has progressively become more effective thanks to the promotion of individual opportunities which has taken place in the past few years. Therefore, we are not making basic corrections but are making adjustments and improvements required at this time. The behavior of foreign factors, which we cannot control, will undoubtedly always have a strong effect on the speed of our recovery.

This is also a good time to draw up and start to implement such reforms as the tax reform necessary to increase savings and investments which will generate jobs, thus allowing the country to achieve the self-sustained economic growth which it deserves.

I also want to add that our main concern at all times is focused on those with less resources to face the crisis. We hope that they will be the first ones to benefit from the reactivation which we seek to promote. Therefore, I end my speech with an appeal to everyone's effort and moderate optimism which must prevail in the fulfillment of a well prepared task.

We will succeed once again and we will do so with the satisfaction of having done so with our own effort. Thank you very much and good night.

EMBASSY IN SPAIN DENIES LINKS WITH COUP PLAN

PY190110 Santiago Domestic Service in Spanish 2200 GMT 18 Oct 82

[Text] The Chilean Embassy in Madrid has categorically denied the veracity of an article that was published by the newspaper DIARIO 16. The article linked the Chilean, U.S. and Argentine embassies in Spain to the frustrated coup plot.

The Chilean Embassy states in a declaration that the newspaper article is aimed at involving Chile and the Chilean Embassy in activities that are completely foreign to them and that might constitute a crime.

The declaration also expresses the Chilean Embassy's strong protest against the responsibility attributed to it by the newspaper article, regardless of whom the authors of the accusation might have been.

Similarly, the U.S. Embassy in Madrid also denied the report's veracity. Spain's Interior Ministry has denied the veracity of the article by the newspaper DIARIO 16.

AIR FORCE INTERESTED IN BRAZILIAN-MADE PLANE

PY160013 Santiago EL MERCURIO in Spanish 29 Sep 82 p C1

[Excerpts] Chile will acquire for its air force the military version of a new plane that the Brazilian aeronautics industry will offer on the international market in 1985. The request for these planes has been made in Brazil by Gen Carlos Desgroux Camus, Chilean Air Force chief of staff.

According to information received, the plane in question is the Brasilia transport, manufactured by the Brazilian Aeronautics Company, Embraer. It can carry 30 passengers and even though it is designed for civilian use, it can serve as a troop carrier.

Asked for more details, General Desgroux indicated that Chile wants to purchase "between three and five Brasilia planes." It was indicated that Chile was one of the first Latin American nations to purchase the Brazilian Bandeirante plane. Nine different models of this plane, both civilian and military -- including the EMB-111 for maritime patrol, control and defense -- are already operating in the country.

FOREIGN MINISTER LLOREDA CAICEDO'S UN SPEECH

PA170034 Bogota Domestic Service in Spanish 1730 GMT 15 Oct 82

[Text] Bogota -- Colombia today called for a more just economic treatment of developing countries by large powers and charged that the irresponsible, selfish and catastrophic policies of some countries have led to the deterioration of the economies of less favored nations. These statements were made by Colombian Foreign Minister Rodrigo Lloredo Caicedo in his speech before the 37th UN General Assembly in New York.

He added that the selling off of stratetic reserves, the accumulation of other reserves by mining transnationals, the unilateral [word indistinct] of forces to gain access to markets and the use of food as a political weapon are some of the many aberrations that the international community has to fight.

In his speech the foreign minister proposed immediate neutrality for the Malvinas Islands by entrusting their administration to a multinational authority while formulas are sought to reconcile the rights of Argentina with the aspirations of the inhabitants of the archipelago. He also referred to the arms buildup and noted that to Colombia, the problem is not only of nuclear war but also of conventional weapons. Therefore, the great powers should not only abstain from using the former but should reduce the latter.

In commenting on the increasing problem of the foreign debt, he said that we have reached such a crazy situation that what used to generate dependency, now produces a fear shared by both creditors and debtors. He proposed a study of the financial problem before it results in political confrontations. Regarding this, he suggested the drafting and implementation of a short-term emergency plan as a first step in the process of overall negotiations.

Other excerpts of Lloreda Caicedo's speech follow:

[Begin Lloreda Caicedo recording] We cannot passively accept Central American countries becoming the booty of international ambitions; their weak political and economic structures suddenly being threatened by violent actions and civil war. It is indispensable to restore tranquillity and to create, through constructive dialogue, the conditions for coexistence and development. To achieve this, it would be of great use to eliminate the evil influx of military apparatuses [aparato], which have become involved in Central American politics in various ways.

Colombia participated in a meeting of foreign ministers held early in October. This meeting was promoted by the Costa Rican Government to seek rapprochement formulas and discuss specific actions to permit the reestablishment of normalcy. As a result of this important meeting, we agreed on the creation of a forum for peace and democracy -- a peace based on mutual respect and a democracy that guarantees free political expression in each country.

At Colombia's request, the foreign ministers who met in San Jose proposed the elimination of all military and security advisers in the area, particularly in El Salvador, Honduras and Nicaragua.

We hope that the good-will missions entrusted to the Costa Rican foreign minister will permit the expansion of a regional dialogue, and that these efforts will be well received in those countries that didn't participate in this first round of talks for various reasons.

My country offers its full cooperation to reach these goals. Colombia does not and has never favored the solution of conflicts by force. Consequently, it deplores the fact that in the Malvinas the lack of a peaceful solution over a long period of time and the continuation of colonialist practices led to a de facto situation, and that every conciliation effort to avoid an armed confrontation failed.

We are now facing the effects of this: The loss of 3,000 lives and damages at more than $1 billion. But these tragic losses are not the only worrisome aspect. The truth is that as a result of this war the possibility for a stable solution for the islands seems more remote than before. Following its military victory, the United Kingdom refuses to discuss the topic of sovereignty over the islands. This position, although explicable in the light of events, will become unbearable in the long run. The anticolonialist position of most countries will prevail in the end. Colombia is among these countries. [end recording]

The foreign minister also said that the U.S. position on the Malvinas left the feeling in Latin America that it cares little about the fate of its neighbors. Its initial decision to adopt a neutral position, which was followed by a decision to give economic, military and political support to the United Kingdom, prompted the just indignation of Lati America, he said.

He added that the U.S. attitude had the positive effect of uniting the Latin American nations for the first itme in their history. He said this situation must be used to create effective mechanisms that permit joint action in the event of a crisis.

Lloreda Caicedo noted that Colombia views with sincere concern the outlook for Central America and the danger that this region, which is so close to us geographically and in our hearts, will become a new scene of international confrontation.

The Central American nations, he remarked, are struggling, each in its own way, for democratic consolidation and social change. But this process, which should have been carried out peacefully in line with the right to self-determination, has recently taken the thorny path of ideological extremism, arms buildup and foreign intervention.

He also condemned Israel's incursion into Lebanon, called for a homeland for the Palestinians and rejected the repression of unionism in Poland and the occupation of Afghanistan and Kampuchea.

Colombia, like most countries, rejects the Israeli military action in Lebanon, calls for the evacuation of Arab territories that are currently under military occupation and recognizes the Palestinian people's right to have a sovereign state, the minister said.

He stressed that for this reason, he feels that a prompt resolution must be sought to the Palestinian problem. He said that perhaps a new negotiation mechanism is needed to force or commit the parties in conflict as well as the other countries involved.

FOREIGN MINISTER SEEKS NONALIGNED MEMBERSHIP

PA151356 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 14 Oct 82

[Text] United Nations -- The Colombian foreign affairs minister has initiated contacts here with representatives of the nonaligned countries movement in an effort to obtain as soon as possible, Colombia's membership in the group of 98 countries, which plans to meet at the end of this year in New Delhi.

Foreign Minister Rodrigo Lloreda Caicedo said that these efforts are part of the Betancur administration's policy, so he has taken advantage of his visit to New York to continue these talks and obtain Colombia's entry into the movement, thus passing from the status of observer to full-fledged member.

BETANCUR ORDERS BROTHER'S DRUG TIES INVESTIGATED

PA172218 Paris AFP in Spanish 0150 GMT 17 Oct 82

[Text] Bogota, 16 Oct (AFP) -- President Belisario Betancur today ordered an immediate investigation into the alleged connection between his brother and the U.S. authorities' investigation called Operation Swordfish, which is an effort against drug trafficking.

The presidential press and information office cited an article that appeared in THE MIAMI HERALD yesterday that says that among the bank accounts to be frozen by U.S. authorities there is one in the name of Juvenal Betancur Cuartas, the Colombian president's brother, in the amount of $10,000.

The newspaper also mentioned that Juvenal Betancur maintains an apartment in Miami's Sharon Hotel.

Tonight a presidential palace spokesman made the following statement on the reports: "When the president heard about THE MIAMI HERALD article, he gave precise instructions that if there is one thing that the Colombian authorities must do, it is to offer immediate, full and honest cooperation to the U.S. authorities, even before they ask for it, disregarding family ties; and warning the authorities that if they do not comply with these orders, they will be fully penalized."

In reference to the report that a private company in Colombia (unidentified) appointed Mr Juvenal Betancur to a ranking position, the spokesman said that the president has asked all government agencies doing business with the company to be very careful, because he considers the appointment to be an improper move by the firm, which perhaps thought that such a move would put it in good standing with the government.

According to well-known agencies here, operation Swordfish broke up a drug trafficking ring after a year-long investigation, principally [in] Florida. At least 60 people, mostly Colombians, will be indicted.

COMMUNIQUE ISSUED ON MILITARY PLANE ACCIDENT

PA180335 Buenos Aires LATIN in Spanish 2150 GMT 17 Oct 82

[Text] Bogota, 17 Oct (LATIN-REUTER) -- An official communique issued today states that four high-ranking Colombian Air Force officers and a journalist are missing after a military airplane crashed in U.S. waters yesterday.

Gen Angel Maria Gomez, commander of the Colombian Air Force, said that the Hercules C-130 airplane landed near a Liberian ship some 250 km south of New Jersey.

The airplane developed mechanical trouble after a lengthy flight from Tel Aviv. It was carrying 13 people who had been on official missions in connection with the presence of a Colombian military batallion in the Multinational Peace Force in the Sinai Desert.

The Liberian ship Corner Brook picked up eight survivors. The missing persons are Col Armando Alva, Col Abraham Jaramillo, Maj Fernando Rodriguez, Lt Fernando Rodriguez [as received] and journalist Ovidio Charria, who is employed by the CARACOL radio network.

The communique gave no further details. Reports from New York indicate that the accident was caused by defects in the navigation system and a lack of fuel.

PRESIDENT HURTADO ANNOUNCES ECONOMIC MEASURES

PA161830 Quito Domestic Service in Spanish 0130 GMT 15 Oct 82

[Speech to the nation by Ecuadorean President Oswaldo Hurtado on 14 October; broadcast in progress -- recorded]

[Excerpts] ...That we were experiencing a serious deterioration in the external sector due to the drop in exports, and that if we did not succeed in curbing the fiscal deficit it would become a serious obstacle to national development.

The fact is that even though we were in the midst of a new era of scarce economic resources, both the public and private sectors continued their economic overindulgence. It seemed as if everybody wanted to continue spending as in the golden era of oil.

That is why we entered 1982 with inherited problems but with a much more serious situation. And, as I said in a speech in Babahoyo, I must now take drastic measures to solve three problems which are affecting the nation's economy. The first is the fiscal problem. The deficit is taking on such magnitude that we cannot allow it to continue growing.

All this is the result of a deluge of demands for more public works. Requests for more roads, schools and sanitation and sewer works reach the presidency of the republic every day.

However, despite all this, the 1982 budget is the same as the 1983 budget draft we have presented. The increase of 14 billion sucres in the budget draft is exclusively due to the new public debts I must pay; they are obligations assumed by previous governments.

I believe the time for decisions has arrived. This is the opinion of the government I head and the reason for the program for economic and social recovery I have been implementing in recent months. That program has culminated with the measures that were adopted this week.

What do demagogues recommend for solving the budget problem? They say that the bureaucracy must be pruned, that public employees must be dismissed. However, they overlook, probably on purpose, that 75 percent of public employees are teachers, health workers and policemen. The remaining 25 percent includes national defense workers, our soldiers. Should be dismiss teachers and doctors; should we dismiss officers and soldiers of the armed forces or policemen? All of you will agree that this is not possible, that this measure cannot be adopted.

However, let us assume we retain these employees because they are necessary and that we eliminate the rest. Who is included among the rest? The remaining eight ministries of state. And those eight state ministries have a budget of nearly 20 billion sucres. This is the amount of financing the state must obtain to avoid a budget deficit. Besides, a reduction in public spending of this magnitude would entail a drop in economic growth, paralyzing of basic works, the shelving of social programs and, therefore, unemployment.

Now then, what am I going to bequeath to the next president of the republic through this course? Should he be forced to earmark half the budget, or more, to cover the public debt? I cannot do this out of a sense of responsibility to democracy and the rest of the country.

So what must be done? Something that has not been contended with before; increase taxes. And how? By improving collections, no doubt. But little would be received from this source, particularly through the enactment of new taxes. This is the decision I made when I sent several bills to the Chamber of Representatives. They are nothing new. Some of them were submitted to the chamber in 1979 by then-President Roldos. Had they been discussed and approved, the status of public finances would be different now. President Roldos would not have had to go into debt to finance the state's budget.

These projects seek to tax unnecessary consumption, such as cigarettes and beer. Those Ecuadoreans who do not wish to pay this tax can do without those products. In recent years, many homes here in Ecuador have acquired the most advanced goods. Ecuador cannot continue to import in this manner. The only way to prevent this is by taxing selective consumption.

What else is sought? Taxing the registration of vehicles. Not the small vehicles, which will pay the same rates as before, but expensive vehicles. The well-to-do, who have vehicles of over 2,000 and 3,000 cubic centimeters, will have to pay a high tax. We also seek to tax unearned increases in value, or added wealth resulting from a hike in property values due to public works constructed by the state.

Then there is the elimination of 50 percent of the protection levels established in the development laws. Protection for agriculture is not being eliminated.

All these laws are a continuation of the tax reform. Whom do these laws affect? Not the poor, as the demagogues claim. Not the Ecuadorean people. They affect the wealthier social sectors, those who grew wealthy in recent years. They have an obligation to repay that which the country gave to them, that which the state gave to them, that which the Ecuadorean people gave to them. This is why I am completely opposed to that rhetorical and demagogic phrase, which says: No more taxes. No more taxes for the Ecuadorean people, but more taxes for the well-to-do.

Regrettably, the laws I have mentioned are not enough to finance the state's budget. Therefore, it has become necessary to eliminate the subsidies. Not all of them, but a good many of them. It is true that some of these subsidies will create unsuitable social conditions. Yet, it is also true that, for instance, the gasoline subsidy, which will be completely eliminated as of today, benefits mostly the upper and middle classes. I will give you an example: If an Ecuadorean who uses a bus receives a subsidy of 1 sucre, the one who has a 1,500-cubic centimeter car receives a subsidy of 45 sucres, while the one who has a 3,000-cubic centimeter car receives a subsidy of 110 sucres. The elimination of this subsidy will undoubtedly raise the cost of living for the Ecuadorean people, but above all, it will affect the middle and upper classes, the ones with vehicles, and expensive vehicles at that. Other fuels will not be affected. I mean fuels for domestic consumption such as gas and [word indistinct]. I am also referring to diesel, since this product is used in basic productive activities. The elimination of the gasoline subsidy will obviously lead to an increase in transport fares. I have also decided to eliminate the (?wheat) subsidy.

How will the country benefit from these decisions? In several very important ways. We Ecuadoreans will base our national development on internal savings and on our capacity to create resources. We will seek foreign credit only in a complementary way. The fact that our businessmen can no longer acquire inexpensive capital goods will make them put their installed machinery to better use. As a result, they will generate more jobs and will use more workers. Since fuel will be expensive, we will save energy. In addition, fuel will not be smuggled abroad, since the price of gasoline will be comparable to that paid in neighboring countries. Therefore, we will save foreign exchange because it will be necessary to import less fuel.

The import of wheat flour is another factory which drains foreign exchange at a time when we must save this basic asset in order to conserve the balance of the economy. The fact that wheat and its derivatives are so cheap has led us Ecuadoreans to change our dietary habits and we [word indistinct] products derived from an import, while forsaking consumption of, let us say, barley flour, corn flour, yucca flour and other products that we used to consume before. Since these products are produced domestically, we do not have to import them.

Other measures by the monetary board are aimed at favoring productive activities and creating liquidity. In the final analysis, by means of this economic policy, by means of these decisions, we wish to find a solution to the problem of national production.

The much-criticized devaluation which, I believe, we decided to implement in accordance with the national interest, is already having positive effects.

A popular government, like the one the Ecuadorean people elected in 1979 -- over which I am honored to preside today -- cannot forget its social program. It has neither forgotten it nor will it forget. Thus, aware of the fact that the elimination of the wheat and gasoline subsidies as well as the devaluation decreed a few months ago have negative repercussions on the popular sectors, the government has submitted a bill on wage increases to the National Chamber of Representatives. Naturally, this bill is in line with the national economy's capabilities. I don't want to repeat what happened in 1979, when wages were raised without any limitation.

Ecuadorean workers; it is not possible to have a minimal wage of 7,000 sucres. For the state, this would represent 11 billion sucres a year in extraordinary expenses. In addition, the state would lose 3 billion sucres in tax revenue, which would be estimated on the basis of a higher minimal wage, not to mention the inflationary spiral that would be unleashed. The bill on wages and salaries which I have submitted to the chambers establishes a minimum wage increase of 500 sucres. The increase would apply to all minimum wages, benefitting workers, maids, agricultural workers in the mountains and on the coast and everyone else, up to a wage of 8,500 sucres per month. In addition, we are offering another 500 sucres as compensation for the higher cost of living. There is also a 50-percent transport compensation. Therefore, the wages of our workers, of our people will be among the highest in Latin America and we will have compensated for the price increases of the past few months.

Ecuadoreans, I would sincerely like to make an appeal tonight: The economic problem has reached such proportions that the government alone is incapable of solving it. In truth, the problem affects the entire country. Solving this problem places the homeland's future at stake. The problem, therefore, belongs to everyone. There is no Ecuadorean without some responsibility; the first among them is the person in charge of the presidency of the republic. True, I have only been president for 17 months. I am not responsible for all the ills of the national economy. I inherited the responsibilities of others. Nevertheless, I have never sought answers or justifications to this country's current problems among my predecessors. I know how to assume my responsibility. I will not close my eyes to the existing difficulties.

It is with the homeland's superior interests and, in the final analysis, with the Ecuadorean people's welfare in mind, that I have made these decisions. At this point, they may be harsh; at this point, they may be criticized, but after some days, weeks or even months, they will be viewed as necessary and appropriate for the future of the national economy.

In a most civil and cordial way, I am appealing to the chamber to cooperate in solving the crisis. I am asking the chamber not to deprive the government of income, not to increase the state budget, not to pass laws that would force me to make additional expenditures. I am asking it to approve, as soon as possible, the bills that I have sent to the National Chamber of Representatives.

I am also appealing to the political parties. We are living in a new era. This is no longer the 1940's or 1950's when all Ecuador's problems could be solved with mere words. This is the time for action, for technical thinking. If the government is to be criticized, then it is necessary to tell the country what the other alternatives are, how the fiscal problem and the problem of the decrease in exports and national production should be solved.

Let's not act as if we were in the midst of an election campaign because the presidential election is still a year away.

I am also appealing to businessmen. Many of them are working with determination; many are working honestly, seriously and optimistically to move the country ahead. These businessmen have my recognition. I call on the others to join those who are already working under the new conditions of the national economy.

I ask those involved in private economic activities not to divert the liquidity that has just been created by the state. Invest in your industries, in fishery, in agriculture. Don't use the money to speculate on the dollar; don't go abroad to buy real estate, but invest in our homeland that today needs the businessmen of Ecuador.

I ask the people -- who for the past 3 years have demonstrated their superiority, their special common sense and who have given to me as they previously gave to President Roldos, the greatest encouragement -- to continue supporting the government now that its greatest difficulties will begin. I ask them to understand these difficult circumstances and the decisions that I have had to make.

I ask labor leaders not to make extreme demands. I ask workers and students not to let themselves be manipulated by cheap politicians and to tirelessly work like all Ecuadoreans did this Monday in all the cities and provinces of the country instead of stretching the holiday.

The future is difficult but that's what government people are for; to overcome difficult situations and to move forward. The difficulties faced by our country are not as serious as those faced by other Latin American countries.

We are going to overcome these problems and difficulties because we have taken all the possible and necessary measures to overcome the economic crisis. There are no plans for additional measures in the next few days or weeks.

Besides, the country has a great potential. We are going to increase oil exports in the past few days. [sentence as heard] The agriculture sector is slowly improving, but it is improving; the livestock sector is doing better.

The production and export of marine products are advancing. Mining is appearing in the future of the national economy. New projects that are fundamental to the country's progress are about to be completed. (Pauce) [not further identified] is the most important of these projects.

The efforts that the government has made and will make to promote the country's progress and the solution of the problems will continue. But the capacity of the Ecuadorean people will always be more important than the potential of the national economy of our rich country.

Countries progress and advance because of their people, especially, and not only because of what a government might do. Thank you.

FUT REACTS TO ECONOMIC MEASURES; CALLS STRIKE

PA162304 Quito Cadena Ecuador Radio in Spanish 2300 GMT 15 Oct 82

[Report by (Felix Narvaez) from the United Workers Front office in Quito -- live telephone relay]

[Excerpt] The United Workers Front [FUT] has just announced several actions ranging from a general strike to breaking off talks with the government as a result of the package of economic measures adopted by the government and announced by the president over national radio and television.

Jose Chavez Chavez, acting FUT president, has just announced at a news conference that the FUT opposes and rejects these measures, which represent a harsh blow to the country's economy. He also said that this is a provocation of the working sector, and he announced a general strike that will be planned tomorrow at an FUT meeting.

VIOLENCE MARKS PROTEST OF ECONOMIC MEASURES

PA190121 Quito Voz de los Andes in Spanish 2330 GMT 18 Oct 82

[Text] The paralysis of public transportation, violent protests and the announcement of marches and a warning strike called for Thursday were all registered today at the outset of a week that is considered critical to the nation, following the price hikes for gasoline and wheat decreed by President Oswaldo Hurtago Larrea.

The protests triggered violent incidents this morning, particularly in Quito and Guayaquil, where one person was killed and six were wounded, several vehicles were destroyed by fire and various buildings were stoned, including the Government Palace and the Central Bank of Ecuador. As of noon today, there were no arrests in Quito, according to the intendant's office.

TRANSPORT STRIKE TO LAST 'INDEFINITELY'

PA190218 Quito Voz de los Andes in Spanish 2330 GMT 18 Oct 82

[Text] The paralysis of transportation will last indefinitely, or until the government revises the measures it has taken, Abel Unda, director of the National Drivers Federation [Federacion National de Choferes -- FNC], has said. He added that the drivers are demanding a 50-percent fare increase for rural and interprovincial transportation and a 60-70 percent increase for urban transport.

[Begin Unda recording] The mistaken measures taken by the nation's government are causing serious dissent at all social levels. We regret that the president of the republic should have had to take such measures and we deplore the lack of good judgment demonstrated by the decision not to decree the proper measure to balance fares. The situation has caused considerable concern among the Ecuadorean transportation sectors, to the point where they have totally suspended their activities, both in Quito and throughout the country. [end recording]

VENEZUELA TO SUPPLY LIQUIFIED NATURAL GAS

PA182022 Paris AFP in Spanish 1854 GMT 18 Oct 82

[Text] Quito, 18 Oct (AFP) -- Ecuador will purchase some 4,500 metric tons of liquified natural gas from Venezuela. Gustavo Galindo, natural resources and energy minister, and the manager of the Ecuadorean State Petroleum Corporation (CEPE), traveled to Caracas today for this purpose. Each year Ecuador imports about 50,000 metric tons of liquified natural gas, equivalent to 47 percent of its domestic consumption.

The Ecuadorean officials will meet with Humberto Calderon Berti, Venezuelan energy and mines minister, and the directors of the state-owned Petroven to establish long-term negotiations and normalize the trade between the two countries. Bilateral trade had been affected by Venezuela's suspension of the purchase of sea products, cacao, lumber and other goods.

BRIEFS

DROP IN OIL SALES -- Quito, 15 Oct (LATIN-REUTER) -- It was officially reported last night that Ecuador is facing a 47-percent drop in the sale of oil through long-term contracts, cutting revenues received as of August by 27 percent. In January, Ecuador had 6 sure buyers, which took 85,000 barrels per day at $35.25 per barrel. According to a report issued by the Ecuadorean State Petroleum Corporation, the country now has three buyers of a total of 45,000 barrels per day, which they buy at $32.50 per barrel. [Buenos Aires LATIN in Spanish 0759 GMT 15 Oct PA]

GOVERNMENT REJECTS GUYANA PROPOSAL ON ESSEQUIBO

PA170412 Buenos Aires LATIN in Spanish 1920 GMT 16 Oct 82

[Excerpts] Caracas, 16 Oct (LATIN-REUTER) -- Today Venezuela rejected a Guyanese proposal to take its claim on the Essequibo territory to an international forum [not further identified] and insisted on submitting the matter to the formal consideration of the UN secretary general.

Foreign Minister Jose Alberto Zambrano Velasco addressed a letter to his Guyanese counterpart, Rashleigh Jackson, in which he said that Venezuela is convinced that the UN General Secretariat is the most appropriate international organization for resolving the dispute.

ZAMBRANO ON DESIRE FOR OUTLET TO ATLANTIC

PA160458 Buenos Aires LATIN in Spanish 2251 GMT 15 Oct 82

[Excerpts] Caracas, 15 Oct (LATIN-REUTER) -- Foreign Minister Alberto Zambrano said today that Venezuela hopes, in its conflict with Guyana over Essequibo, to attain an outlet to the Atlantic over which it would have full sovereignty.

In a statement to newsmen, he added that this outlet must be "free of all foreign control and must belong completely to our country."

According to VENPRES, Guyanese Foreign Minister Rashleigh Jackson replied that his country was ready to provide this outlet "as long as we achieve the necessary bilateral agreements."

Asked if he would be willing to meet with Jackson to analyze the problem of an outlet to the Atlantic for his country, Zambrano said that "Venezuela is always prepared for a constructive dialogue."

GOVERNMENT INCREASES PRICE OF RESIDUAL FUELS

PA160319 Paris AFP in Spanish 0129 GMT 16 Oct 82

[Text] Caracas, 15 Oct (AFP) -- Humberto Calderon Berti, Venezuelan energy and mines minister, announced tonight that Venezuela has decreed the third price hike for residual fuels since August. The price of residual fuels will go up $1 per barrel, with the exception of fuels with 1.5 percent sulphur content, which will go up $1.13 per barrel.

The increase takes effect Tuesday, 19 October.

Calderon Berti said that the increase is due to the demand for these fuels now that winter is coming to the northern hemisphere.

Prices for Venezuela's residual fuels were increased in August by approximately $2 per barrel for those with low sulphur contents and by $0.50 for those with a higher sulphur percentage.

BANK OF MEXICO ISSUES CURRENCY CONTROL RULES

PA162342 Mexico City International Service in Spanish 0200 GMT 16 Oct 82

[Text] The Bank of Mexico today announced several provisions to regulate foreign currency operations and establish payment mechanisms for imports. The bank is doing this in an effort to reach the goal of complete control over exchange.

The regulations, which were published in the country's official paper, stipulate that Mexico's banking associations will not receive deposits for checking or savings accounts or give credits in foreign currencies. In addition, the banks will not issue instruments in Mexican pesos payable abroad, in order to prevent the formation of foreign markets negotiating with the Mexican peso.

Regarding imports, the Bank of Mexico established that payments for imports must be made through a Mexican credit institution, and only in cases where the secretariat of commerce has granted approval to import. If the imports are made on a cash basis, the foreign exchange will be paid to the foreign supplier by the importer, but only after it has been proven that the products have entered the country.

In addition, the banking association will open special accounts for tourist firms that receive foreign exchange in their operations.

The bank of Mexico regulations also establish mechanisms for the use of foreign exchange by private individuals, the procedure to open dollar accounts on the border and the procedure to obtain foreign currency to travel abroad.

These regulations complement the general rules for the control of foreign exchange announced a month ago, the bank reported.

GAMBIAN PRESIDENT ON OFFICIAL VISIT TO COUNTRY

Lopez Portillo Welcome

FL151315 Mexico City NOTIMEX in Spanish 0338 GMT 15 Oct 82

[Text] Mexico City, 14 Oct (NOTIMEX) -- President Jose Lopez Portillo tonight demanded fairer and more equitable treatment in international cooperation exchange.

The president made the demand during a banquet for the president of the republic of Gambia, Dawda Kairaba Jawara at the official residence of Los Pinos.

The Mexican head of state said that in terms of trade, developing countries contribute substantially to the economies of developed nations since developing countries are markets for their products and also provide raw materials for their industrial plants.

He added that economic superpowers and those that have advanced technology ought to change their attitude toward developing countries, whom they consider more of a burden than associates in this independent world. Only through friendship and international cooperation will we achieve real solutions that will benefit all in a world made more difficult and complex each day and where overall stability and progress are continually threatened, stressed Lopez Portillo.

He noted that the international community finds itself in a world dominated by two blocs. Each tries to involve the legitimate social processes of developing countries according to their own ideological measures because they would like to make this area a part of their own monolithic camp.

He said that Mexico continues to urge the international community to reject, repudiate and eliminate all forms of colonialism.

Mexico, in solidarity with the Namibian people, strongly condemns the prevailing segregationist regime in South Africa, whose hateful system has extended into Namibia through its unlawful occupation of the territory, stressed the Mexican head of state.

President Lopez Portillo said that the very essence of Mexican nationality derives from its adherence to the principle of self-determination and said that the rejection of this principle is at the root of many political problems of our time.

While welcoming Gambian President Dawda Kairaba Jawara and members of his delegation, President Lopez Portillo expressed interest in having bilateral relations between the two countries take the most suitable path to cooperation for their mutual benefit.

Meeting With President-Elect

FL152111 Mexico City NOTIMEX in Spanish 1945 GMT 15 Oct 82

[Text] Mexico City, 15 Oct (NOTIMEX) -- President-elect Miguel de la Madrid Hurtado and Gambia's president Dawda Kairaba Jawara today held talks in this capital. During the meeting, De la Madrid Hurtado told the Gambian chief of state there was a need for developing countries to integrate, strengthen and undertake joint actions.

At the conclusion of the meeting, Ricardo Valero, secretary for international affairs of the PRI, the ruling party, summed up the talks held by the two leaders. He said it had been a brief courtesy call by the Gambian president to the country's president-elect, who will be inaugurated on 1 December.

De la Madrid indicated that his government will strengthen relations and maintain contact with Latin American countries, Dawda Jawara mentioned his nation's efforts aimed at stepping up social, political and economic activities jointly with neighboring nations. The two leaders agreed on the need to get comprehensive negotiations started between the North and South.

Press Conference

FL161910 Mexico City NOTIMEX in Spanish 0100 GMT 16 Oct 82

[Excerpt] Mexico City, 15 Oct (NOTIMEX) -- Gambian President Dawda Kairaba Jawara promised at a press conference today that African countries would support Mexican initiatives regarding disarmament and a new world economic order. The president is paying an official visit to Mexico and has already met with President-elect Miguel de la Madrid, President Jose Lopez Portillo and other political leaders.

He said the economic resources being wasted by the superpowers in arms ought to be used for constructive development and the benefit of mankind. He said that all the independent African states, except the racist regime of South Africa, would support Mexico in its initiative before the United Nations to achieve disarmament at all levels. He said he was confident that Africa would succeed in achieving the second step [segunda area] to prohibit nuclear weapons similar to the organization governed by the Tlatelolco Treaty in Latin America.

Departs 16 October

FL162050 Mexico City NOTIMEX in Spanish 1750 GMT 16 Oct 82

[Excerpts] Mexico City, 16 Oct (NOTIMEX) -- President Jose Lopez Portillo this morning bid farewell to his Gambian counterpart, Dawda Kairaba Jawara, with the proper honors at the presidential hangar, it was officially reported today.

The Gambian president started on his trip home at 0800 (1400 GMT) today after listening to the national anthems of the two countries and a 21-gun salute.

BRIEFS

AMBASSADOR TO GAMBIA -- Mexico City, 13 Oct (NOTIMEX) -- Hector Cardenas Rodriguez has been appointed Mexican ambassador to Gambia. Cardenas Rodriguez is also Mexico's ambassador to Senegal and will have his official residence in Senegal, the Foreign Affairs Secretariat reported. [Mexico City NOTIMEX in Spanish 0233 GMT 14 Oct 82 FL]

GUATEMALAN BORDER DENGUE QUARANTINE -- Merida, Yucatan, 2 Oct (NOTIMEX) -- The Secretariat of Health and Assistance has established a sanitary cordon along the Mexico-Guatemala border to prevent the spread of dengue into national territory. Secretary of Health Mario Calles Lopez Negrete said that Guatemalans and Salvadorans taking refuge in the country may be infected with dengue. [Mexico City NOTIMEX in Spanish 1910 GMT 2 Oct 82 FL]

PEMEX CRUDE OIL PRODUCTION -- Mexico City, 3 Oct (NOTIMEX) -- The average production of crude oil has reached 2,676,800 barrels per day, of which almost 1.5 million goes into exports and the remainder is for domestic use, Pemex reported today. Between 1 January and 30 September 1982 Pemex has produced 730,766,000 barrels, selling 386,767,000 barrels to its foreign clients. Pemex said its prices would be held at $32.50 for the light istmo 32 API and $25 for the heavy maya 22 API during October for the eighth month in a row. [Mexico City NOTIMEX in Spanish 2155 GMT 3 Oct 82 FL]

URUAPAN AIRPORT EXPANSION -- The airport and auxiliary services (ASA) today reported that as of 1 November the Ignacio Lopez Rayon Airport in Uruapan will begin to receive commercial flights. The ASA said the main runway had been expanded from 1,900 meters to 2,400 meters, allowing for the landing of larger aircraft and improvement of tourism, commerce and industry in the area. ASA spokesman Servando Gonzalez said Aero-Mexico will begin commercial flights between Mexico City and Uruapan in November. Aero-Mexico DC-9 flights will be scheduled twice a week. [Mexico City NOTIMEX in Spanish 0127 GMT 2 Oct 82 FL]

PRD OFFICIAL ON PRESIDENT'S PAREDES' STATEMENTS

PA182203 Panama City Circuito RPC Television in Spanish 1715 GMT 18 Oct 82

[Text] Ernesto Perez Balladares, secretary general of the Democratic Revolutionary Party, PRD, told RPC that President de la Espriella's [state of the nation] address was extremely good, having clearly outlined the country's true economic and political situation and having gone straight to the point. However, Perez Balladares criticized some sectors that have said that the president exempted the PRD from any commitment to the government.

[Begin recording] At no time has the president said that there is no commitment — which is what some biased sectors have tried to infer, or state or pretend that he said -- between our party and his government; this is not what the president meant. [end recording]

Referring to constitutional reforms, Perez Balladares said that delegates at the party's last convention appointed a commission to review constitutional reforms. This commission will soon submit a report for discussion by party members, after which the party will announce its position in this issue.

Asked about General Paredes' statement to THE MIAMI HERALD, to the effect that the National Guard will not even try to keep Panama on the path of revolution and will instead remain neutral, relinquishing all political power in 1984, Perez Balladares said:

[Begin recording] [Perez Balladares] I would say that, perhaps by extracting his words and reading them carefully -- if this is what he said -- they can be interpreted in several ways. However, I think that what General Paredes meant to say is that the National Guard is responsible for protecting all of the country's sectors and for guaranteeing that the 1984 elections are indeed carried out freely, with the participation of all political parties. In this sense, the National Guard certainly cannot be the permanent guardian of the revolutionary process, which was promoted by our party; it must play a full and honest role toward all of the other parties, and this is what General Paredes said.

[Question] As a former government officer in ministries like the Planning Ministry, how do you see the country's current political situation? Also, what is your opinion of the president's statement that the government will practically freeze the hiring of government employees?

[Perez Balladares] Well, I understand the president's position, and I must say that it is a difficult one because of its implications, but it shows great responsibility on his part. The president, more than anyone else, is familiar with the government's current financial and economic situation; thus, instead of being demagogic and making promises he will not be able to keep, he spoke the truth. In this sense I agree with him, even more so given that I was the minister of planning and had some knowledge of the government's economic status. I think that the political situation is becoming clearer each day; that some of President de la Espriella's promises are being kept, some of the things that he has promised; and that some of the things that General Paredes has promised or suggested are being complied with. In my opinion, we are moving toward an electoral campaign in 1984 that should be free, open and honest, so that our people can freely express their will. [end recording]

CORREGIMIENTO ASSEMBLY ELECTS 36 OF 37 LEGISLATORS

PA171903 Panama City LA PRENSA in Spanish 16 Oct 82 p 1

[By Emerson Moreno]

[Text] Elections took place yesterday to choose the legislators through the direct vote of the 505 representatives who in this case voted for representatives from their respective provinces. Elected for Panama Province were Carlos Barsallo (re-elected), Luis de Leon Arias and Alberto de Santis (re-elected). The fourth legislator will be elected on Monday.

For Cocle those elected were Irisnel Sucre (re-elected), Humberto Sanchez Sarmiento (re-elected), Omar Ali Garcia and Tulio Cordoba.

For Colon, Jose d'Anuncio Rosania, Blas J. Celis (re-elected), David Heres and Teodoro Camilo Campos.

For Bocas del Toro the following were elected: Harley James Mitchell (re-elected), Vicente Contreras, Antonia Quintero and Martin Abrego.

Those elected for Los Santos are Fernando Gonzalez, Isidro de Leon, Fermin Guerra and Osvaldo Vargas.

The intendancy of San Blas elected Representative Arcadio Martinez as its only legislator.

Meanwhile, for Veraguas, the elected legislators are Silverio de Gracia, Hector Mendieta, Victor Corrales Nunez and Clemente Abrego.

For Chiriqui, the legislators are Roosevelt Reyes (re-elected), and Everto Anguizola.

For Herrera, the legislators elected were Jose Octavio Huertas, Ramon Saavedra, Pedro Sehon, and Wigberto Tapiero. Finally, the representatives from Darien elected Jorge Bristan, Antonio Ramos, Ismael Ramos and Juan Berrio as their legislators.

The legislators elected or re-elected yesterday will be sworn in next 15 November.

BRIEFS

DELEGATE TO CSSR CONGRESS -- Pastor Falconett left for Czechoslovakia recently to participate in the National Congress of the Czechoslovak Communist Party youth. [Panama City UNIDAD in Spanish 4-9 Oct 82 p 6 PA]

CONAC LEADER TO MOSCOW -- Julio Bermudez, secretary general of the National Confederation of Peasant Settlements (CONAC), left for Moscow recently at the invitation of Soviet Unions. Bermudez was accompanied by Valentin Morales, president of the Chiriqui Oil-Producing Association. [Panama City UNIDAD in Spanish 4-9 Oct 82 p 6 PA]

PARALYTIC RABIES OUTBREAK -- The Province of Darien is under quarantine this week after an outbreak of a disease, described as paralytic rabies by authorities of the Health Ministry and the Agricultural Development Ministry, was detected in the area. Several cows have been affected by this disease. [Panama City Televisora Nacional in Spanish 2300 GMT 9 Oct 82 PA]

RAMIREZ OPENS AREA ECONOMY MINISTERS MEETING

PA160011 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 15 Oct 82

[Excerpt] Sergio Ramirez Mercado, member of the Junta of the Government of National Reconstruction, made a new appeal for peace and for the strengthening of regional cooperation upon inaugurating the joint meeting of Central American central bank presidents, economy ministers and integration directors this afternoon.

This morning, the 131st meeting of the Central American Monetary Council was inaugurated. This council consists of the presidents of the central banks in Central America, with the participation of the IDB. Luis Figueroa, minister president of the Central Bank of Nicaragua, welcomed the delegations at this meeting, where several important subjects were discussed.

In the afternoon, the economy ministers, central banks presidents and integration directors held a joint meeting, attended as well by representatives of ECLA, the secretariat of Central American Economic Integration, SIECA, and of various Central American banks. The meeting was inaugurated by Companero Sergio Ramirez, member of the Junta of the Government of National Reconstruction:

[Begin Ramirez recording] Fundamentally, I want to voice our well-known concern for peace in Central America; our desire that the tensions in the region be solved through peaceful means, through dialogue, through negotiations. The last thing that our country, our homeland, our revolution, would want to have is increased tension in the current situation; we would rather find the best formula for political dialogue, understanding, and, I repeat, negotiation.

We believe that there are no magic formulas to solve these problems. It is important that we use the most important resource that the Central American countries are privileged to have, which is regional cooperation in strengthening trade and economic exchange and in enforcing the Central American integration program.

It is evident that there are governments of various ideologies within the Central American region, but we believe that it is within this diversity that the real formulas for cooperation must be sought. [end recording]

Meeting Concludes

PA160025 Managua Radio Sandino Network in Spanish 1200 GMT 15 Oct 82

[Text] The joint meeting of Central American economy ministers and central bank presidents concluded in Managua last night with very positive results.

The urgent need to promote a conference of the five Central American governments' representatives with other countries and financial organizations for the negotiation of contributions that can help to solve the area's economic problems is expressed in one of the resolutions adopted at the meeting, according to Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca.

Martinez Cuenca said that the economy ministers and the central bank presidents recommended that ECLA; the Secretariat of Central American Economic Integration, SIECA; and the Central American Monetary Council prepare a study to insure the success of this initiative by the area's governments.

He emphasized that the meeting was characterized by a positive attitude and by the conviction that Central American unity must not be discussed only within the area but must be demonstrated to the international community, to show that Central America is united in the search for solutions to its economic problems.

In an exclusive interview for the "Extra Newscast," Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca made the following statement:

[Begin recording] [Martinez Cuenca] After a long debate, we agreed on the need to submit a motion to the joint meeting held with the central bank presidents on the urgent need to promote a conference of representatives of the five Central American governments with other nations and financial organizations, for the negotiation of contributions that can help to solve the area's economic problems.

For this purpose, we recommended that ECLA, SIECA and the Central American Monetary Council prepare a study -- to be submitted for consideration at the next joint meeting, which will be held in El Salvador -- to determine the necessary stops that must be followed to insure the success of the initiative. It is important for the five countries to act jointly to prove to the international community that Central America includes five countries, not four, as has been implied in obvious efforts to divide the region; and that any negotiations must be undertaken with all five countries, which will search for the resources required to revive Central America's economy.

Essentially, this was the subject of this afternoon's meeting. We hope to be able to adopt specific measures by which to implement this idea, which has been accepted by everyone here, when the study is submitted to the joint meeting in San Salvador.

[Question] When is that meeting scheduled to take place?

[Answer] Next month, in San Salvador.

[Question] What will the main topics at that meeting be?

[Answer] The resolutions adopted at this meeting and other issues that are still pending, such as exchange mechanisms and other matters involving the payment of debt among our countries.

[Question] Could we say that a qualitative step is now being taken in the search for regional integration?

[Answer] I believe that evidence of such a qualitative step was demonstrated at the economy ministers meeting today, as well as at the joint meeting with the central bank presidents. There is a positive attitude and the conviction that Central American unity must not be discussed only within the area but must be demonstrated to the international community, to show that Central America is united in the search for solutions to its economic problems. [end recording]

COSTA RICA

PRESIDENT MEETS WITH ISRAELI FOREIGN MINISTER

PA181952 San Jose Radio Reloj in Spanish 1730 GMT 18 Oct 82

[Report by William Cespedes]

[Text] Costa Rican President Luis Alberto Monge and Israeli Foreign Minister Yitzhaq Shamir have just ended their meeting in the Presidential House where they analyzed the Central American and Middle East situations.

After the meeting, which lasted slightly over an hour, President Monge said:

[Begin Monge recording] As was to be expected, this meeting was full of cordiality and the identification of the struggles that the Costa Rican and Israeli peoples are waging on behalf of freedom, justice and peace. Israel is just coming out of a war and there might be confusion and inadequate information. However, I am certain of the fervor and devotion to peace of the Israeli people and their army officers.

In the past Israel has given us important aid. When I went to open the embassy in Israel in (?1963), we obtained Israel's technical aid to create the National Youth Movement in Costa Rica and the National Training Institute. Those two institutions were established in our country with Israeli technical aid. Since then Israel has cooperated in other projects. At this time there is about a 1- or 2-year-old agricultural extension program in cooperation with the Agriculture Ministry and a group of Israeli technicians.

We have very briefly analyzed other important fields in which Israel can undoubtedly give us help in science, technology and production. I thanked Foreign Minister Shamir for the $7 million deposit that they made some months ago and which helped us a lot in our effort to overcome the foreign exchange crisis and our serious monetary problems. He has said that this deposit will be extended for 6 months. [end recording]

For his part, when Foreign Minister Shamir was asked about a report from Washington saying that the United States might condition its $3.2 billion military and economic aid to Israel's abandonment of its settlements policy in the occupied territories and its acceptance of President Reagan's peace plan, he said that this information is groundless and not true.

I have just returned from Washington where I met with Vice President Bush, the secretary of state and other high-ranking officials. The United States has reiterated that it will give Israel the necessary aid so that it can continue its struggle, Shamir said.

Shamir also reiterated his government's view regarding to Costa Rica. He recognized ours as free country which defends democracy.

These were the main aspects of the meeting between the Israeli foreign minister and President Luis Alberto Monge. At this time the president is hosting a luncheon for Shamir. The luncheon is also being attended by the Costa Rican foreign minister as well as Vice Presidents Fait Lizano and Arauz Aguilar.

Joint Committee Set Up

TA190533 Jerusalem Domestic Service in English 0500 GMT 19 Oct 82

[Text] Israel and Costa Rica have decided to set up a joint commission to look into possible cooperation between the two countries. Now in Costa Rica, Israel's Foreign Minister Shamir has promised that Israel will help Costa Rica in the fight against terrorism, and President Luis Alberto Monge emphasized the friendship between the two countries.

Israel's foreign minister formally thanked the Costa Rican president for moving his country's embassy from Tel Aviv back to Jerusalem. The Foreign Ministry in San Jose said Costa Rica has promised Israel it will oppose any Arab move to remove Israel from the United Nations.

Shamir Attacks Reagan Plan

TA190805 Tel Aviv IDF Radio in Hebrew 0745 GMT 19 Oct 82

[Text] Foreign Minister Yitzhaq Shamir has again attacked President Reagan's plan for peace in the Middle East. Shamir is currently in Costa Rica arriving there yesterday for a 3-day visit. Any effort to make peace must be founded solely on the Camp David accords, Shamir told reporters after a meeting with Costa Rican President Luis Alberto Monge.

Monge said that he would oppose any attempt to expel Israel from the United Nations or impose sanctions on it. Israeli sources in Shamir's entourage have told an AP correspondent that Israel will grant Costa Rica economic aid, since that country suffers from a serious economic crisis.

VOLIO EXPRESSES OPTIMISM ON RETURN FROM UN

PA180343 Panama City ACAN in Spanish 1606 GMT 17 Oct 82

[Text] San Jose, 17 Oct (ACAN-EFE) -- Costa Rican Foreign Minister Fernando Volio Jimenez, who returned last night from the UN General Assembly, expressed great optimism today about the chances for peace for Central America on the basis of what he was able to learn at the United Nations.

Volio Jimenez spoke to the UN General Assembly on 12 October and afterward met with his colleagues from the Caribbean Region, including Nicaraguan Foreign Minister Miguel d'Escoto. He agreed with D'Escoto that he would visit Nicaragua, probably on 25 October.

Volio Jimenez returned with the feeling that "now more than ever it is important to promote the Forum for Peace and Democracy," which was created in this capital during the recent meeting of eight foreign ministers from the Caribbean Basin and the United States [as received].

GUARDS ON NICARAGUAN BORDER TO BE DOUBLED

PA190229 Panama City ACAN in Spanish 0050 GMT 19 Oct 82

[Text] San Jose, 18 Oct (ACAN-EFE) -- The Costa Rican Government will double its guards on the 300 km border with Nicaragua, to reduce the chances of subversive action in the area.

Oscar Vidal, director of public forces, said today that police posts will be placed from Conventillos on the northern Pacific Coast to Armenia in the northwestern Caribbean sector.

The civil guard director said that the existence of "guerrilla camps" has been ruled out for the present and that border area residents have not reported any new activities by the anti-Sandinist groups that were active at the outset of the current administration.

Vidal said that "those groups have been pursued and have been dispersed" and that their camps have been dismantled. However, it is suspected that some "arms caches" have not been located.

The reorganization of guards in the border area involves the placement of strategic posts at points on land, along waterways and at landing strips that could be used for the mobilization of armed groups.

EL SALVADOR

FMLN OFFENSIVE LINKED TO COUP ANNIVERSARY

PA180302 Buenos Aires LATIN in Spanish 2223 GMT 17 Oct 82

[By Adrian Aldana]

[Text] San Salvador, 17 Oct (LATIN-REUTER) -- The Salvadoran Government forces killed no less than 20 leftist guerrillas in the east of El Salvador, while the rebels attempted to interrupt traffic throughout the country, military sources reported today.

It also reported that guerrilla forces were fighting 5,000 government soldiers in the northern and northeastern departments of Chalatenango and Morazan.

The guerrillas still have control of some strategic points in those areas, where they launched an offensive last week.

In the last 4 days, the guerrillas have launched a campaign to paralyze traffic in the country by burning vehicles on the main highways.

In Concepcion Batres, Usulutan Department, some 100 guerrillas forced passengers to disembark and then set their vehicles on fire, the military sources added.

The guerrillas destroyed three vehicles on the highway next to the coast near Concepcion Bares just before the arrival of troops from San Miguel.

Twenty rebels were killed during the ensuing clash, which lasted for 45 minutes, the army reported. The military sources did not say if the army had any casualties. The guerrillas fled to the mountains of Usulutan Department, the same sources reported.

Meanwhile, there were three explosions yesterday in San Salvador while the city guerrillas increased their activities in the capital for the third consecutive day after 7 months of inactivity.

The police said that this brings the total number of explosions in the capital since Thursday to 10; the targets have generally been telephone booths and powerline posts.

Several sectors of the capital were without power yesterday as a result of guerrilla sabotage, the police reported. The rebels are still in control of Las Vueltas and Jicaro, Chalatenango Department, which they occupied on Sunday, during the first phase of their offensive, intended to mark the third anniversary of the military coup in El Salvador.

The coup was considered the spark that set off the civil war in El Salvador. Some 5,000 troops belonging to the elite Atlacatl, Belloso and Pipil battalions, trained by the United States, were sent to dislodge the guerrillas from the towns they occupied.

In another report, Archbishop Msgr Arthuro Rivera y Damas, head of the Salvadoran church, announced that Pope John Paul II will visit Central America next year. His first stop will be El Salvador, though Monsignor Rivera y Damas did not give the exact date of the pope's visit.

Monsignor Rivera y Damas mentioned in his Sunday sermon that 83 political deaths has occurred in the country between 8 October and 14 October.

12 CASUALTIES REPORTED IN AMBUSH OF ARMY TRUCK

PA182313 San Salvador Radio Cadena Sonora in Spanish 1855 GMT 18 Oct 82

[Text] Military sources told Radio Sonora that this morning a group of extremists ambushed an army truck carrying troops from the Atonal Battalion, who suffered 12 casualties.

The action took place at 0550 near Km 39 on the northern main highway. The truck was hit by bazooka fire. In the ensuing clash, which lasted approximately 30 minutes, the troops suffered 12 casualties, including 1 dead; enemy losses were believed to be heavy, but they carried the bodies away with them.

The sources added that the action involved troops from the Atonatl Battalion coming from Chalatenango.

MAGANA REAFFIRMS ADVANCE OF POLITICAL PROCESS

PA162148 San Salvador Domestic Service in Spanish 1917 GMT 15 Oct 82

[Speech by Salvadoran President Alvaro Magana at the National School of Agriculture at a 15 October event held to distribute land titles to peasants -- recorded]

[Excerpts] We have been living in a democracy since 28 March. Our major effort consists of maintaining, consolidating and improving that democracy. We know very well that the essence of democracy lies with political dialogue among opposing democratic tendencies. If we have faith in democracy, we must also have faith in its power to harmonize and give place to each idea, each tendency. Inspired by this belief, we turned the national unity government that I announced in my message of 2 May into a reality: A government that responds to the voters' wishes as expressed on 28 Morch, not granting the absolute majority to any one party, so that the various tendencies represented in the Constituent Assembly might harmoniously combine their political goals and purposes on behalf of the Salvadoran people. In addition, it was necessary for the national unity government to have a government program that would frame its fundamental activities in order to achieve, among other things, the goals of democratization, pacification and respect for human rights. This is how the idea emerged on signing the document that became known as the basic government platform, better known as the Apaneca Pact because it was signed in that city on 3 August 1982. This political-historical document reflects the common purposes and goals of the political parties participating in the government, as expressed during the electoral campaign held earlier this year. These goals and purposes coincide with those expressed in the Armed Forces Proclamation of 3 years ago. This means that the proclamation interpreted the Salvadoran people's ideas.

The same document also establishes the creation of a political commission as the body in charge of the coordination, execution and enforcement of this basic government platform. This commission, from the moment of its inauguration has carried out intense work leading to the drafting of a timetable of major political events. This timetable, announced on 29 September, establishes terms for the execution of events of great political importance, which are vital to the maintenance of the process of democratization in which the Salvadoran people, their national unity government and their armed forces are engaged in response to the people's will as expressed on 28 March. The timetable also states that the elections for president of the republic and of the municipal councils must be held sometime before the second anniversary of the historic elections held on 28 March this year. The fulfillment of this commitment has led the commission to establish dates by which the drafting of legal provisions and electoral mechanisms guaranteeing respect for free elections must be completed. The broad representativity of this commission guarantees the fulfillment of the points on the timetable by the indicated dates. We are sure that this has made all Salvadorans more confident, for since 28 March they have recovered their faith in the democratic process as the best way to choose their rulers.

The national rapprochement of 28 March is reflected in the government's attitude, which is marked by a frank spirit of pacification that we are turning into a reality through the establishment, by means of an executive agreement, of a peace commission. Only the stubborness of those leading the armed groups can explain their disregard for 28 March. This date was reaffirmed a month ago, on the day of our national independence, through the Salvadoran people's beautiful communion with their armed forces, when they marched together along the streets of our capital city.

Once again I urge those mistaken groups, which continue their unsupported campaign of destroying our sources of work and production, to lay down their weapons and join in the effort to achieve national recovery.

Countrymen: Three years after the armed force's proclamation, and thanks to the Salvadoran people's determination, sacrifice and bravery, we have consolidated the structural reforms. We are living in a truly democratic regime, we are striving to strengthen the national unity in the face of adversity. Based on firm foundations, we are outlining the course toward political stability within the framework of a democratic system.

Salvadorans: The political process continues to advance. Nothing will prevent our achieving the better destiny that every Salvadoran deserves. Thank you very much. [applause]

ARCHBISHOP ASSESSES REGIME'S SUCCESS TO DATE

PA180221 Paris AFP in Spanish 2031 GMT 17 Oct 82

[Text] San Salvador, 17 Oct (AFP) -- The "increased boldness" of paramilitary groups that continue to "victimize the poor, defenseless people" and the "increase in missing persons and political prisoners" were denounced today by Msgr Arturo Rivera y Damas, archbishop of San Salvador, in an analysis marking the third anniversary of the military coup that brought the current regime to power.

The archbishop also decried the "unrest and anxiety" caused by the increased attacks and sabotage perpetrated by the guerrillas, who have occupied five towns in the north and east of the country and have left various parts of the nation without electricity or telephone service.

In today's homily, the prelate also denounced the arrest and murder of Jose Pablo Zelaya, husband of a secretary employed by the Criterio Printing Press, which is owned by the Salvadoran archbishopric. He asked the authorities "to investigate and to clear up the crime."

Referring to the celebration of the third anniversary of the 1979 military coup, the archbishop said that that morning of 15 October represented "a glimmer of hope" for many people.

He said that the spirit of the proclamation issued by the "Young Military Officers" called for immediate rejection of a system of oppression, guaranteed reforms favoring the vast majority, clarification of the cases of missing political personages and guaranteed purity of trials leading to a general amnesty for political prisoners.

There were also plans to eliminate the paramilitary groups that, taking shelter in anonymity and immunity, had taken many victims, the archbishop recalled.

"Since we have gone so far in the opposite direction, it is appropriate to stop, reflect and correct our course," the Catholic leader said.

"All of these things are desired by the people," the archbishop said. He noted that his murdered predecessor, Msgr Arnulfo Romero, had said this, although he warned from the outset that it would take "deeds and facts to legitimize a government that was beginning with such praiseworthy promises."

Today, 3 years later, it can be seen that some reform has been initiated, particularly agrarian reform, which, "by and large, albeit with errors," has been attempted, despite pressure at home and abroad.

Reform in banking and foreign trade, the archbishop said, has stagnated and made little progress.

In parallel with all of these positive things, Rivera y Damas said, there are many regrettable negative factors, ranging from decrees freezing salaries to laws that hinder the proper dispensation of justice in political trials.

In Rivera y Damas' opinion, there has been an increase in the number of missing persons and political prisoners. He said that in the week of 8-14 October, there have been reports of [number indistinct] arrested and 83 killed, including 15 military personnel and 68 civilians.

FMLN APPEAL TO ARMED FORCES ON COUP ANNIVERSARY

PA180023 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 17 Oct 82

[Message to the Salvadoran Armed Forces read by FMLN Commander Jorge Melendez, alias Commander Jonas, "First Military Commander of the Francisco Sanchez Front" -- live or recorded]

[Excerpts] Gentlemen of the Salvadoran Armed Forces, we wish to address you on the occasion of the third anniversary of 15 October.

This date has great importance in our country's history. On that occasion, young Salvadoran Army officers, confronting a dictatorial regime, injustice and the lack of liberty, rose up in rebellion, calling for the participation of many sectors in the construction of a new government.

We are waging a just war, because this war is against social injustice, oppression and the existence of a government that does not defend the interests of the country's democratic and popular sectors. We did not start this war; it was initiated by the fascist high command. When the workers, students, market vendors, teachers and professionals took to the streets of San Salvador to protest and to make minimal demands, they were met with fire from G-3 rifles and .50-cal machineguns.

This war was initiated by the fascist high command, when factories were turned into cemeteries through the death of many workers who, facing a suffocating economic crisis, were forced to strike or to undertake seizures to ensure that their demands were heard.

However, although this is a just war, we want to make it perfectly clear that we understand that our enemy is neither the armed forces nor the officers and soldiers or members of the territorial service. We know clearly that the advocates of social injustice, of the pro-oligarchic interests are not the entire armed forces but a fascist command. We know that the ones who are directly responsible for the orders to commit the genocide and massacre of the Salvadoran people are Gen Jose Guillermo Garcia, defense minister; Maj Roberto d'Aubuisson, president of the Constituent Assembly and president of the death squads; Col (Franciso Moran) and majors (Medina Garay) and (Caceres Cabrera).

We are fighting repression, injustice, genocide and killings. However, we are aware of the great sacrifice that the Salvadoran people are making to secure their just interests. Further, know that there are many honest and patriotic officers in the army.

We realize that the large majority of the national army consists of soldiers and NCO's from the most oppressed and poor sectors of the Salvadoran people. Because of this awareness and the responsibility that it carries with it, the FMLN and the Revolutionary Democratic Front [FDR] have stated on many occasions that they are willing to participate in a dialogue, in the search for any political solution that would permit an end to the war.

We have expressed this position in a highly responsible manner, orally and in writing, in and out of the country, before governments and before very responsible, serious and pretigious international organizations, such as the UN General Assembly.

However, a political solution does not suit those who are responsible for the injustice and oppression; those who are responsible for the genociee and massacres of the people, that limited group of fascist officers is the Salvadoran High Command, a group of fascist officers that we have publicly denounced.

Other armed forces officers and leaders understand, and should understand, that we must seek a way out that would end the suffering, which is harmful to the Salvadoran people, and that the war should not be prolonged beyond that which is necessary to the achievement of our objectives.

However, I must say once again that this proposal for a political solution does not at all mean that the FMLN is losing the war. And you can see this. The Salvadoran people have taken sides. Although we don't have the number of weapons that the Salvadoran army has, we continue to fight and to achieve victories. As the war goes on, we grow in experience and strength. As the war goes on, we create new fields of operation. As the war goes on, the number of captured arms grows, and the number of prisoners grows as well.

When I speak of prisoners, I speak not only in the sense of our military capability, but also in the sense that the Salvadoran soldiers are beginning to realize the insanity of this war, in which they are sent to burn and destroy entire villages and to kill people, entire families of completely defenseless children, women, men and elderly persons.

Moreover, when a soldier becomes a prisoner, he faces the truth about his captors and he realizes that they are Salvadorans, just as he is. They tell him of the reasons for their struggle and they treat him like a citizen, neither torturing him nor committing any abuse like the security forces and certain armed forces officers usually do with the FMLN men whom they capture, or with civilians whom they merely suspected.

We are winning this war because it is a fair war. We will continue to wage it as long as there is no political solution, because this war is both fair and necessary.

Gentlemen, leaders and officers: On this 15 October we once again reiterate our appeal for understanding. We once again reiterate our appeal that we all united our weapons against the fascist officers and genocidal leaders. On this 15 October, let's once again avenge the honest and brave officers of 15 October. Let us reaffirm the proclamation of 15 October 1979, which stated that the armed force was once again encountering its people.

Finally, I wish to say to all of the country's democratic, popular and revolutionary sectors and to the armed force's patriotic officers and leaders that the FMLN's purposes are specifically to put an end to the fascist dictatorship and to establish a government of broad participation within which the FMLN does not regard itself as the sole and exclusive depository of the solutions that the country needs.

All of us, all of the country's conscientious sectors must converge. The patriotic officers must also converge at this point. There must be a rapprochement between the armed forces and the Salvadoran people. It is also necessary to vindicate the date of 15 October 1979, with its ideals for justice, peace and democracy for the entire Salvadoran people.

United to fight until the final victory. Revolution or death. We will win.

FMLN REPORTS ON SABOTAGE ACTIVITIES

Railroad Bridge in San Miguel

PA181615 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 18 Oct 82

[Text] Here is a military report from the Francisco Sanchez Southeastern Front, Jucuaran Zone:

On 17 October at 0400, FMLN commandos blew up the railroad bridge in the village of (Las Cocinas), El Nino Canton, San Miguel Department. Our forces withdrew without any problem. This action was led by Commander (Chamba).

That same day at 1300, FMLN forces on patrol clashed with forces of the fascist dictatorship. An intense 4-hour battle was waged in the area of (Piedra Azul) village, Piedra Pacha Canton in the jurisdiction of El Transito. The enemy forces suffered six casualties. Our forces withdrew in an orderly manner and with no problem. This action was coordinated by Commander (Pepe).

These reports are signed by Commander (Chamba).

Army Train in San Vicente

PA182230 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 18 Oct 82

[War bulletin released by the FMLN's Anastasio Aquino Paracentral Front, in the Zacatecoluca area of El Salvador, no date or place given -- read by announcer]

[Excerpt] At 1030 on 15 October, FMLN combatants sabotaged a train carrying enemy troops to Zacatecoluca by activating two antitank mines, which destroyed the railroad track, part of the trains engine and several railroad cars. A 15-minute clash ensued immediately. It is not yet known how many casualties the enemy sustained. The operation took place near (Los Gorriones), (Santa Gertrudis), in San Vicente Department. Our companeros withdrew without problems.

Vans Near Santo Domingo

PA190314 (Clandestine) Radio Venceremos in Spanish to El Salvador 1830 GMT 18 Oct 82

[War report from the FMLN's Anastasio Aquino Paracentral Front in El Salvador -- no date given]

[Text] On 16 October, forces of our revolutionary army, in response to instructions from our general command, staged the Companero Javier Operation, which consisted of sabotaging two vans on the Pan-American Highway near Santo Domingo. Our forces also took control of a stretch of the Pan-American Highway between Santo Domingo and San Sebastian, resulting in a clash with an enemy patrol. As a result of these actions, 5 vehicles were left blocking the Highway, 2 vehicles were burned, telephone lines were damaged and the enemy sustained 12 casualties.

For our part, we withdrew without any problem, after holding a rally with the civilian population.

United to fight until final victory. Revolution or death, we shall win.

Train in Santa Ana

PA190131 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 18 Oct 82

[War bulletin released by the FMLN's Feliciano Ama Western Front in El Salvador, no date or place given -- read by announcer]

[Excerpts] On 15 October, bold combatants of our special select forces sabotaged a train near the village of Los Mangos, (Tequistepeque) jurisdiction, Santa Ana Department. The engine was completely destroyed in the operation, constituting a serious blow to the oligarchs' economy.

To defeat, annihilate and seize. Revolution or death, we will win.

[Signed] Commander (Oscar Guevara), chief of the [Feliciano Ama Front] General Staff

FMLN COMMANDERS ASSESS REBEL PROGRESS

PA171945 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 17 Oct 82

[Live relay from the FMLN Francisco Sanchez Northeastern Front]

[Text] [words indistinct] [announcer]... The FMLN, at this moment we are with the staff and the General Command of the Francisco Sanchez Northeastern Front in Morazan Department. We are going to ask Commander Claudio Rabindranath Armijo to answer our first question for the northeastern front command.

[Armijo] The actions carried out by the FMLN as of Sunday, 9 October [date as heard], throughout the national territory, are objective evidence of our front's political and military advance. The many enemy casualties, the many arms recovered and the many prisoners of war taken during these days of combat throughout the national territory are evidence of this advance.

The army's situation is quite critical. They have lost many men. They have also lost much war materiel. We have destroyed two of their helicopters; one was shot down in Chalatenango and a second was damaged in Morazan.

At this moment, the FMLN is holding a captain, a lieutenant, a cadet, several corporals and others. This is effective evidence of the advances made by the FMLN, of the advance of our people's march to victory.

[Announcer] Now let's ask Commander Jorge Melendez, Jonas, what the situation is right now in our Northeastern Front.

[Melendez] A revolutionary greeting to all the Salvadoran people and to all our companeros. The situation in the Northeastern Front must be seen in the context of the FMLN's national offensive.

At this moment, the enemy finds itself strongly attacked in various fronts of the country. It is now becoming aware of the control that the FMLN has over strategic roads throughout the country, of the increase in the sabotage of various sectors of the economy as well as of electricity and fuel targets. The national army is showing that it is incapable of facing our forces, whose capacity is based on [words indistinct], which it does through the structures of the army, the militia and the organized masses.

Right now we can say that the situation in the northeastern front is highly favorable. So far the objectives of our plan have been accomplished. We have taken 50 prisoners, including an army officer. We have captured the towns of Torola, San Fernando and Perquin. We control the main road that goes from San Francisco Gotera to the department's northern region. There have been important clashes and we have suffered very few casualties. We have had wounded, but the wounds are not serious. The enemy has been using its air capacity, its 500-lb bombs, its helicopters and tis machineguns, 120-mm mortars, 81-mm mortars and infantry troops. Nevertheless, in our opinion the results are highly favorable to the FMLN.

We believe that our objectives will be accomplished, the objectives of our plan. We are very optimistic about this. We have secured big victories. We will have more information about the victories of our revolutionary process and we will make them known to the people of the world and to our Salvadoran people.

We believe that this campaign is evidence of the Salvadoran people's capacity to lead their war to victory. Nevertheless, we have always reiterated the need for a dialogue, for an understanding, to avoid more bloodshed and further destruction in our country, to prevent the danger of a regioalization of the war, the problem of a U.S. intervention or the intervention of the Honduran army.

That is, [words indistinct] for unity and not for a situation of true [word indistinct] that our enemy, the armed forces as a whole, does not see. The Salvadoran people's enemies are injustice, lack of liberty and the fascist high command.

Our intelligence services are bringing us reports about deployment of troops on the other side of the border. This gives us the impression that Honduran troops are planning to intervene and that they have given Salvadoran troops permission to enter so that they can attack Salvadoran territory from Honduras.

In this regard we have adopted measures. We believe that this situation is not correct. No foreign country should meddle in our country's affairs, but we had considered this situation prior to beginning our campaign and we want to tell our Salvadoran people that we are ready for an circumstance that may emerge in case there is an intervention from Honduran territory. We also caution the Honduran people that the government of Mr Suazo Cordova and Army Chief Alvaro Martinez will be responsible for any casualty or any other consequence of an intervention by the Honduran Army.

For the time being, things are marching satisfactorily and we expect that soon we will have good news for the Salvadoran people.

[Announcer] After these statements by Commander Melendez, Commander Caludio Rabindranath Armijo has important information for our people, especially for the people of Morazan.

[Armijo] To the people of Torola, San Fernando and Perquin: Be on the alert for our calls and information. Do not move about from 1800 to 0530 because the mobilization of the civilian population will be restricted during that period to safeguard their security and that of our forces.

[Announcer] Commander, is the fighting in Morazan going to continue to be heavy?

[Armijo] Our units are getting ready for new fighting. Right now we continue analyzing the military situation at the front. We are getting ready for new missions and we want to call on the residents of Meanguera and Jocoaitique to leave those towns because in the next few hours there will be new and bitter fighting in that area.

This is for their safety because whenever the enemy faces a difficult situation, it resorts to any kind of measure. This is why we call on the people of Meanguera and Jocoaitique to take precautions.

[Announcer] We have just heard a statement by Commander Claudio Rabindranath Armijo of the General Command of the Francisco Sanchez Northeastern Front.

He has recommended that the residents of Meanguera and Jocoaitique take every precaution because there will be bitter fighting in that area.

This has been a report from this mobile unit.

GUATEMALA

RIOS MONTT ANNOUNCES IMPORT RESTRICTIONS

PA182331 Guatemala City Domestic Service in Spanish 0300 GMT 18 Oct 82

[Address to the nation by Guatemalan President Gen Efrain Rios Montt, place not given -- live]

[Text] Good evening. Undoubtedly you know about the organization and functioning of sports teams: The goalie who contributes to a championship soccer team, the player who gives two points to a basketball team. Perhaps you have seen the baseball player who slides to base in order to score a run. As you can see, the success of the team depends on the cooperation and the personal sacrifice of each player, so that his team may win.

The family is also a team. It will solve all of its problems successfully if each member sacrifices for the needs of the family, and if the mother and father meet their obligation to lead their children along a true, balanced path, allowing for practical adjustments.

The principles of cooperation, discipline, obedience and assistance must also be practiced. These principles must be evident in all activities and at all levels. They ensure a family's success and represent the responsibility of society. In other words, you and your family are part of the Guatemalan family. This means participating efficiently in the act of building a nation. We would say [words indistinct] you, because in addition to natural disasters our society has endured disloyalty, pressure, indifference and frustration.

We can deduce from this that it is not only the government that is responsible for overcoming the country's ecnomic and social crisis. The government is only a small unit within the country's production apparatus. The private sector has the largest responsibility. You, your home and your distinguished family, are the private sector. Therefore, I have been talking to you from the outset with this in mind. I have let you know that being Guatemalan is my concern, but it is also your concern.

This week, and with much satisfaction, we are making specific demands and proposing specific objectives to solve problems. In addition to working toward a solidly stable currency, we are giving priority attention to the control of foreign exchange, in order to satisfy the demands of the country's productive sectors. In order to obtain foreign exchange, we are trying to export new products and find new markets for our traditional products. We need foreign exchange to pay our foreign debt. We have spoken about tightening our belts and we are going to start by limiting unnecessary imports: luxury items, vanity items, useless items; items that we can stop importing for the time being. I want to emphasize that for the time being we are not blocking imports, we are just establishing priorities as an emergency measure, but no a permanent tone.

We are going to change our tax collection methods. Many people are not paying taxes, perhaps because we are not collecting them. This is a fact. We will be more efficient henceforth.

Regarding the utilization of land: we are going to design a way in which more people will have land without having to give or take it from anyone, so that we might have more food, more products to export and more opportunities to prosper.

As for bans: in contrast with other countries, we will give greater support to increase private sector control by giving investments the necessary safeguards, regardless of what sector they come from, and by allowing these investments to come from any level, large and small investors. Let's save. The private sector's control of the banks is a guarantee for all.

We are seriously thinking about turning some national enterprises into private enterprises, because their revenues are scarce and the financial support we must give them from taxes could be used for better things.

We will continue to fight subversion wisely, strongly and courageously. Its military defeat is already a fact. Ideology is your business. If you want to exercise your own ideology, change the colors of your flag -- better yet, change your nationality. You are from Guatemala. Being Guatemalan does not mean indulging in class struggle, brutality, coercion, the suppression of liberty or atheist materialism. It means fulfillment of our responsibilities. It requires that we discharge our duties as men, women, fathers, mothers and children.

It is necessary to maintain the bureaucratic structure. We are not going to dismiss the people who are now working, but neither will we create more jobs. We believe that if we work honestly, we will do our job efficiently. In this regard I want to tell you that we are already working on the 1983 budget. You can understand that this budget demands austerity and efficiency.

Generally, we are prepared to do solid and well-planned work to reactivate the national economy and to face the demands of the new Guatemala. We will seek a formal and specific commitment from you and from every productive sector in the nation. Only this way, together, can we start moving the gears of national production.

We already have our Lord's help. All we need now is our participation. Good night. May God bless you and your family, because His blessing will consolidate Guatemala, considering that you are Guatemala. Thank you.

ARMY ENCIRCLEMENT OF 5,000 PEASANTS CHARGED

PA182224 Managua Radio Sandino in Spanish 1830 GMT 18 Oct 82

["Urgent press communique" released by the Guatemalan Democratic Front Against Repression, no date or place given -- read by announcer]

[Text] Some 10,000 Guatemalan soldiers have surrounded over 5,000 peasants, including elderly people, women and children, in the municipality of San Martin Jilotepeque, Chimaltenango Department, west of the capital. The soldiers have established cannon emplacements ranging from 75-mm to 105-mm, along with 57-mm and 81-mm mortars and other heavy artillery aimed at the defenseless population. They have also cut off all water, food and medical supplies and have threatened the townspeople, telling them that unless they turn themselves in by 20 October, the villages and places where the peasants have sought refuge will be bombed with every available means.

The Democratic Front Against Repression [FDCR] has charged that while preparing this encirclement, the troops killed more than 500 peasants from neighboring villages.

As a result of this situation, the FDCR urges human rights organizations, democratic governments, the world's peoples and world opinion in general to intercede with the Guatemalan Government so as to prevent a massacre of unforeseeable consequences. It also begs the International Red Cross to cooperate fully in ensuring that the physical integrity of those peasants who either turn themselves in or are captured is respected.

ORPA REPORTS INFLICTING 14 CASUALTIES ON ARMY

PA170408 Havana International Service in Spanish 0000 GMT 17 Oct 82

[Text] The Armed People's Revolutionary Organization [ORPA] has announced that in 2 weeks [not further specified] of guerrilla actions the army of the dictatorship sustained 14 casualties and left a large quantity of military materiel behind, which was recovered by the popular forces. The organization added that during this same period the rebel forces occupied 27 farms used by the army as centers of operations, as well as La Reforma and El Quetzal in San Marcos Department.

ORPA also claimed responsibility for the takeover of part of the road between Pajapita and Tumbador, also in San Marcos Department, and the killing of four collaborators of the regime, including a leader of the White Hand, a paramilitary group. In addition, it was reported that the number of Guatemalan peasants who have sought refuge in Mexico to escape the repression unleashed by the Rios Montt regime totals 40,000.

Guatemalan writer (Luis Cardoza y Aragon) stated in Mexico City that in his country there is no way but revolutionary violence to attain full independence. He noted that the regime is determined to massacre the people, and in that view of this barbarism there is no defense but armed struggle.

HONDURAS

PAZ BARNICA DISCUSSES U.S. TRIP AT NEWS CONFERENCE

PA170252 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 15 Oct 82

["Excerpts" of news conference granted by Honduran Foreign Secretary Edgardo Paz Barnica at the Honduran Embassy in Washington, D.C., on 14 October -- recorded]

[Excerpts] On 4 October I met in San Jose, Costa Rica, with representatives of nine governments. The presidents of Costa Rica and Honduras promoted this meeting, which was held to create a commission, a mechanism, a group for peace and democracy. We believe that the international community and the peoples of Latin America and this continent must be made aware of the problems in Central America. [passage indistinct]

On 8 October I had the opportunity to speak before the UN General Assembly. [passage indistinct] I believe it was a cordial and positive meeting. I have heard rumors that Nicaraguan Foreign Minister Miguel d'Escoto said that his talks with the Honduran foreign secretary were somewhat difficult. [passage indistinct] ...the Honduran Government's stand that the problems of Central America will be solved within an overall and regional framework. He insisted that the bilateral problems had to be solved. I told him quite clearly that all the bilateral problems are included in a regional and total solution. We hope Nicaragua will join this movement for peace and democracy -- for a stable peace, a peace based on justice and liberty, and for a pluralist and representative democracy based on free and honest elections.

Yesterday I had a very fraternal meeting with U.S. Secretary of State George Schultz. We spoke quite clearly of the three main subjects proposed and promoted by the Honduran Government to strengthen democracy south of the United States -- the Government of Honduras is a product of free elections during which the Honduran people chose their rulers freely. We believe that the Honduran democratic institutions must be strengthened. We believe that a peace policy can be carried out in Central America -- a peace based on regional security, liberty and respect for human rights, and not a peace based on violence and anarchy. [passage indistinct] he has expressed the full support of the U.S. Government for President Suazo Cordova's peace policy, for the Honduran democratization process and for the development of an economic cooperation process in various areas.

I think this introduction has been a bit long, and I ask you to forgive me. Please feel free to ask me whatever questions you consider necessary.

[Question] Mr Minister, President Suazo Cordova has proposed a meeting of Caribbean basin chiefs of state. Did this have anything to do with the cancellation of the meeting that was to have been held in Caracas, proposed by Venezuela and Mexico, at which Honduras and Nicaragua were to have been present?

[Answer] On 23 March President Suazo Cordova's government set forth a peace proposal for Central America. This proposal has received the support of the international community -- of most of the countries on this continent and of West European countries. During the San Jose meeting on 4 October, the Honduran peace proposal was recognized as a necessary element in achieving peace in Central America.

On 5 October President Herrera Campins and President Lopez Portillo invited President Suazo Cordova to participate in a meeting in Venezuela with Nicaraguan Commander Daniel Ortega. President Suazo Cordova wrote to the two chiefs of state expressing his appreciation for this valuable initiative. [words indistinct] and that the mechanisms established in the San Jose declaration should be activated at once. He added that he would willingly participate at a summit meeting with Mexico, Venezuela and other countries, but that conditions must be created first. First there should be a meeting of foreign ministers to create the appropriate framework for this meeting to have positive results. With this attitude President Suazo Cordova reaffirmed Honduras' stand in favor of dialogue and for an understanding in the Central American region. The dialogue must be serious and responsible, not a dialogue with demagogic ideas, because the Honduran Government firmly believes in peace and will struggle for peace.

[Question in English] [words indistinct] Cuba has been repeatedly referred to as being [words indistinct] regionally and internationally. Cuba has been repeatedly accused by the United States of being [words indistinct] active in the conflict in the region. Why has there been no attempt to bring government officials [words indistinct]?

[Answer] The Central American problem must be solved within an overall and regional manner, and this means that these problems must be solved by the countries of the region, because there are internal problems in these countries that affect other Central American countries that should not be handled in an isolated manner but rather within a regional framework. What we have been able to see is that there is Cuban interference, through Nicaragua, in Central American affairs. We believe that terrorist actions that have recently occurred in Honduras have had foreign support, and Central American problems must be solved by the Central Americans.

CINCHONERO STATEMENT ON MILITARY REPRESSION

PA170001 Havana International Service in Spanish 0000 GMT 16 Oct 82

[Text] We will now present a statement by combatant (Jose), member of the National Leadership of the Cinchonero People's Liberation Movement:

[Begin (Jose) recording] This is (Jose), member of the National Leadership of the Cinchonero People's Liberation Movement. Our organization has just completed the The Armed People Will Win operation carried out by the Fatherland or Death group. We would like to note that we feel fully satisfied with the results of this operation, which we describe as an operation by our people.

Before our people's eyes we unmasked the repressive nature of the government and the fascist military sector. We exposed before the world that the fascist sector of the Honduran Army and certain government sectors are involved in an interventionist policy against Nicaragua, El Salvador and Guatemala. We reported to the people of the world the horrible situation of misery that our people are experiencing. We exposed to our people and the peoples of the world the participation of certain government and military sectors in pro-imperialist actions in league with oligarchic and dictatorial regimes of Central America. What we are saying here does not yet constitute an official declaration of our national command. [as heard]

Our people and the peoples of the world will know in due time the specific results of the Armed People Will Win operation carried out by the Fatherland or Death group. But at this time we can already say that our people have no alternative but an armed struggle against their oppressors to get rid of the forces who are oppressing them, and they must give solidarity to the struggling peoples of Central America and the world.

Our people have no other choice than courageously facing the gang of assassins in power, the gang of military officers who are using the liberal government as a facade for their pro-imperialist, reactionary and criminal goals. [end recording]

The combatant also denied the propaganda campaign being carried out by the Honduran regime, which is trying to blame the Cinchoneros for terrorist actions:

[Begin (Jose) recording] We've said that this regime that oppresses the Hondurans is criminal. We've said something very serious. It is so serious that this has meant death for dozens and dozens Honduran patriots -- workers, peasants, students and professionals. This has meant death for dozens of Salvadoran patriots, Guatemalan patriots, Nicaraguans and patriots of other latitudes: Costa Ricans, Ecuadoreans, Venezuelans, Argentines, etc.

But this repression and these killings are so criminal that they are even affecting members of dominant classes. This was the case in the murder of Jacobo Larach and the kidnapping of Ruth Canahuati Larach. Right now we are holding a dispatch datelined Honduras in which our organization is blamed for the killing of Jacobo Larach and the kidnapping of Ruth Canahuati Larach, a child.

We want to tell our people and even the dominant classes affected by the repressive actions of those ruling us that they must ask Colonel Flores Teresin about Larach's death. They must ask the colonels who are ruling us, and even Gen Gustavo Adolfo Alvarez Martinez, about the kidnapping of Ruth Canahuati Larach in San Pedro Sula. They, and no one else, are responsible for this murder and kidnapping aimed at drawing to them certain economic sectors of the country's northern and central regions.

The people must ask (Alexander Hernandez), Alvarez Martinez' aide-de-camp, about the kidnappings and killings. They must also ask Captain (Lagos) of the Treasury Police. They must also ask the chiefs of the criminal gangs that these military officers use for these criminal activities.

Regarding several bank holdups, the people should ask the fascist military officers who carried them out to make bankers pay the army to protect their property. These are the same military officers who carry out operations like Larach's murder and the kidnapping of Ruth.

These economic sectors must unite in the face of terror. We are seeing military and political blackmail against sectors of the country's economy that might resist the fascist plans of Honduran officers.

We want to warn the people that the criminals now in power will always try to blame the revolutionaries, the democrats, those who fight for the people's interests, those who fight so that our children won't die of starvation, those who fight for land for the peasants, those who fight for good wages for workers and those who fight for schools for students and hospitals for the sick. They will always try to make us look like terrorists and criminals.

We have demonstrated -- and the action against the Cortes Chamber of Commerce proved it -- that the revolutionaries are not criminals. We are common men, workers, peasants, students and professionals who are fighting for everything we lack: land, food and freedom.

In conclusion, and in taking advantage of the opportunity which Radio Havana is giving me, we want to urge our people to get better organized to fight with weapons against the fascist beasts who are in power. We want to tell our workers, peasants, students, women and all our people that the struggle is just beginning, and that it will conclude when we have defeated all the Gustavos Alvarez's and all the fascists. [end recording]

NICARAGUA

DIPLOMATIC OFFENSIVE FOR PEACE LAUNCHED

PA160435 Managua LA PRENSA in Spanish 11 Oct 82 pp 1, 14

[Excerpts] Government sources announced today that the Nicaraguan Government intends to wage a peace offensive in West Europe and Latin America with the idea that these nations, in turn, will conduct negotiations on behalf of harmony between Honduras and Nicaragua.

The sources added that, initially, the talks will be handled through diplomatic channels, in view of the Honduran Government's refusal to begin an immediate dialogue with Nicaragua.

The Nicaraguan Government's peace offensive will begin this week, in an effort to avoid the armed confrontation with Honduras that Nicaragua feels is being prompted by the U.S. Government.

The government source added: "There is nothing else to do but to launch our last peace offensive at the international level if we are to avoid an armed conflict with Honduras."

The peace offensive is to include talks with the governments of Colombia, Bolivia, Spain, Sweden, Austria, Venezuela and Mexico, as well as with the OAS and the United Nations.

BORGE AGAIN STRESSES SERIOUSNESS OF THREAT

PA181605 Managua Radio Sandino Network in Spanish 1200 GMT 18 Oct 82

[Text] Commander Tomas Borge yesterday delivered a speech during which he confirmed our country's revolutionary principles and willingenss to dialogue. He cautioned that the threats looming over Nicaragua are more serious than ever.

At a ceremony to commemorate the fall of Commander (Pedro Arauz Palacios), (Federico), Interior Minister Borge said that the enemies of the revolution are acting like hounds seeking any pretext to invade us. He noted the slogans spontaneously shouted by thousands of persons present at the Eduardo Contreras Center.

We are willing to hold a dialogue and to reach an understanding with the United States and, therefore, with all the governments that breathe through the nose of the United States, as well as with the political groups opposed to the revolution, Commander Borge said. But we will do this based on sovereignty, national reconstruction and the 1985 elections.

The fighters of the Interior Ministry and the thousands of persons who met in the Eduardo Contreras Center, stated their willigness to fight the aggressors as well as their solidarity with the Latin American people struggling for liberation, especially with the Salvadoran people, who have secured important victories in recent days, according to the Sandinist commander.

Referring to area governments' submission to the aggressive plans of the United States, Commander Borge noted the arrival of U.S. military advisers in Honduras and El Salvador and said that just as these advisers failed to maintain the Somoza regime, now they are enduring the revolutionary victories of El Salvador and tomorrow they will crash against the Latin American people's determination to be free.

Borge said: In contrast, we find wisdom in our own revolutionary and military experience. In the face of hunger, disease and social problems, the imperialists do not promote food programs, medicine or teachers; they prescribe anticommunism. They bomb with anticommunism and, of course,with napalm. They bombard with anticommunism and fire at Monsignor Romero and the Central American people, also.

Commander Borge asked his audience to tell him who gave President Reagan the authority to meddle in the problems of Central America. He said that despite lies and ideological terror, Nicaragua has been able to earn international recognition. He outlined the latest victories of our country in Latin America and the world:

[Begin recording] It is no accident that it has been decided to hold the nonaligned foreign ministers meeting in Nicaragua at the beginning of next year. It is no accident that we are one of the strongest Latin American candidates to the UN Security Council. And, of course, it is not by chance that we have earned imperialism's bitter hatred. It is not by chance that we have earned the anger, hostility and enmity of the rich not only of Nicaragua, but of Latin America and the world.

Imperialism and the rich hate us. The revolutionary and the poor people of the world love and respect us.

CARLOS NUNEZ ON NATIONAL, THIRD WORLD MEDIA

PA151812 Managua Domestic Service in Spanish 0300 GMT 14 Oct 82

[Text] The delegation of Costa Rican newsmen that is visiting Nicaragua met today with Commander of the Revolution Carlos Nunez, president of the State Council. The Costa Rican newsmen and the revolutionary government leader discussed various subjects, especially the new international information order that the Third World peoples want.

The Costa Rican newsmen also received extensive details from Commander Nunez regarding the organization and financing of the State Council.

Speaking to the Costa Rican newsmen, Commander of the Revolution Carlos Nunez said that the draft of the communications media law that the State Council will prepare for its discussion and approval will contain legal and political elements that will be a contribution to Central America and to other revolutions. Here is an excerpt of the State Council president's statement to our distinguished guests:

[Begin Nunez recording] We in the State Council believe that if agreement is reached with the political parties the new communications media law that the State Council will draft for its debate and approval must include political and legal elements that will be a contribution to all of Central America and to other revolutions. It must combine our own great journalistic experience and contributions with the interests of the new revolutionary state and the rights achieved by the Nicaraguan people, who are considered to be direct participants in the information, the analysis and programming of the social communications field.

However, if we were to promote these views in international organizations, the reactionaries and conservatives would accuse us of being consummate communists and extreme totalitarians. The progressives might view some of these positions with sympathy. Some liberals would approve some ideas and might reject others. However, regarding the information order, for us one thing is what we can contribute at the international level and another thing is what we can also contribute at the domestic level. We think that at the domestic level, such a law would not only be (?beneficial) for national journalism but also for coming generations. [Words indistinct] in these discussions that are currently being held. [end recording]

Commander of the Revolution Carlos Nunez said that discussions are currently being held with representatives of the political parties to reach agreements that will permit the promotion of the discussion of the new communications media law.

ARMY SPOKESMAN ON CLASHES, CASUALTIES

PA171324 Paris AFP in Spanish 1625 GMT 16 Oct 82

[By AFP special correspondent Gilberto Lopes]

[Excerpts] Managua, 16 Oct (AFP) -- Almost 500 have been killed in the clashes between Nicaraguan Government forces and counterrevolutionary groups in the past 3 months, Capt Roberto Sanchez, armed forces spokesman, has announced.

The death toll, which includes 109 soldiers, reservists and militiamen as well as 370 attackers, shows the magnitude of the battles which have taken place since last 4 July on Nicaraguan territory along the Honduran border and indicates a change in the firepower of the armed groups, now veritable military units, according to Captain Sanchez.

For the first time the military officer revealed details of a plan which, according to government authorities, sought the occupation of the township of Puerto Cabezas on the Nicaraguan Atlantic Coast, some 800 km northeast of Managua, last 19 July when the Sandinist Revolution was celebrating its third anniversary.

Captain Sanchez revealed the existence of five camps of armed groups in Honduras and also displayed LAW antitank rockets and two rifles, an M-16 with seriel number 3108037 and a more modern AR-15 with serial number 1387096X. Both rifles were marked in English "Property of the U.S. Government" and were seized from the counterrevolutionaries in the operations on the Atlantic Coast.

The five camps which Captain Sanchez pointed out on the map are San Marcos de Colon where some 400 men are reportedly staying at Cacamuya farm, Comali, El Jicaro, Grocoli and Trojes. The latter three are in the Honduran Department of Paraiso all 4 to 5 km from the border.

Nicaragua has insisted that these armed groups could not act without foreign aid and Captain Sanchez directly accused Major Luque, chief of the Honduran Armed Forces in Gracias a Dios Department on the Atlantic Coast, of supporting Steadman Fagoth, who heads an armed organization of Miskito Indians fighting against the Sandinists.

ANTIREGIME RADIO ON ARMY CASUALTIES IN ZELAYA

PA151827 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT 15 Oct 82

[Text] Attention: Here is last-minute news. Last-minute reports that have reached Radio 15 September indicate that the bodies of 46 soldiers of the repressive army have arrived in Masaya from northern Zelaya, where bloody battles for the liberation of the fatherland are being waged.

The oppressive regime can no longer hide its battlefield casualties.

It has also been reported that in San Pedro del Norte, 12 members of the FSLN dictatorship were killed by gunfire of the Nicaraguan Democratic Force [FDN], and that the garrison or hideout of the oppressive regime was completely destroyed.

It has also been reported that in the area of (La Zopilota) six members of the oppressive regime were killed by the liberation bullets of the FDN and the liberation commandos, who today struggle throughout the national territory for the real liberation of the fatherland.

BRIEFS

DISTRIBUTION OF LAND -- Commander of the Revolution Jaime Wheelock, agricultural development and agrarian reform minister, said today during a ceremony in San Carlos that the landownership system there has been changed by the distribution of land to landless peasants. He said that the Sandinist revolution in Rio San Juan Department has transformed the landownership system, since 70 percent of the land is held by the people and only 2 percent is owned by those who held huge estates in the past. Wheelock said that with the application of decree No. 3 in Rio San Juan Department, more than 350,000 manzanas have been recovered from the Somozists and the big landowners. [Managua Domestic Service in Spanish 0300 GMT 14 Oct 82 PA]

GDR DEFENSE MINISTER BEGINS OFFICIAL VISIT

Talks With Raul Castro

FL160149 Havana Domestic Television Service in Spanish 0100 GMT 16 Oct 82

[Text] Army Gen Heinz Hoffman, member of the Politburo of the Socialist Unity Party of Germany and minister of national defense of the GDR, has held cordial talks with Army Gen Raul Castro Ruz, second secretary of the Communist Party of Cuba [PCC] Central Committee and minister of the FAR.

Also taking part in the talks were the other members of the high-level military delegation, GDR charge d'affaires (Klaus Hartman), Div Gens Abelardo Colome Ibarra and Senen Casas Regueiro -- both first deputies of the FAR minister -- and Div Gen Sixto Batista Santana, chief of the FAR Central Political Directorate. The last three are all alternate members of the PCC Politburo.

Attends Friendship Ceremony

FL160157 Havana Domestic Television Service in Spanish 0100 GMT 16 Oct 82

[Text] On the occasion of the visit to Cuba of the high-level military delegation of the sister GDR led by Army Gen Heinz Hoffmann, a friendship ceremony was held at the Universal Hall of the FAR Ministry chaired by Army Gen Raul Castro Ruz, second secretary of the party and FAR minister.

Speaking at the ceremony were Army Gen Raul Castro and Army Gen Heinz Hoffmann. They referred to the close brotherhood existing between the parties, peoples and armies of Cuba and the GDR. Also presiding were Div Gens Abelardo Colome Ibarra, Senen Casas Regueiro and Sixto Batista Santana, all alternate members of the Politburo.

Raul Castro Address

FL161615 Havana Domestic Service in Spanish 1145 GMT 16 Oct 82

[Text] A fellowship ceremony has been held at the University Hall of the FAR on the occasion of the visit by the GDR national defense minister, Army Gen Heinz Hoffmann. The ceremony was presided over by Army Gen Raul Castro, second secretary of the party Central Committee and minister of the FAR, and by Army Gen Heinz Hoffmann, also member of the Socialist Unity Party of Germany Politburo.

With this ceremony, our FAR expressed its gratitude for the visit by a high-level military delegation from the GDR National People's Army with which we are united by strong bonds of combative brotherhood.

In his address, Army Gen Raul Castro praised the distinguished visitor who has dedicated his life to the cause of the German people and of socialism. [Begin recording] Since the foundation of the GDR, more than 3 decades have passed that demonstrate what can be accomplished with the commitment, hard work and talent of a nation when channeled into peaceful causes. During this period, the young German state not only survived imperialist aggressiveness but with steady progress healed the wounds of the war and eliminated the remnants of fascism in a short time. [end recording]

In another part of his speech he pointed out the important role of the GDR, together with the armies of the Soviet Union and the rest of the countries of the socialist community, in stopping the insane aggressiveness of imperialism, and added:

[Begin recording] Our country, united with the GDR by bonds of friendship which are made stronger each day, reiterates its unbending support for the efforts aimed at preventing the more reactionary cliques of imperialism from achieving their plans to destroy the climate of international security which has been forged at the cost of the persevering efforts of the Soviet Union, the rest of the Warsaw Pact countries and the revolutionary and progressive forces of the world during decades of intensive activities to achieve peace. [end recording]

Addressing the international situation, Army Gen Raul Castro said: [Begin recording] This meeting with our comrades-in-arms from the National People's Army comes about at a time when there is a very complex and tense international situation aggravated by the more militaristic and aggressive cliques of the imperialist Government of the United States. Almost 19 months ago, the present ultra-rightist Washington team, without beating around the bush, declared its intention to rearm the country with the worn-out argument of an alleged Soviet superiority and to tip the present strategic military balance in its favor, harbouring the arrogant and unrealistic idea of cornering and weakening the Soviet Union and the rest of the socialist community.

At the same time, it approved as official policy its intent to establish alliances with the more reactionary regimes of the world in order to stop the advances made by progressive forces throughout the four corners of the world. [end recording]

He then likened the massacres perpetrated by Israeli warmongers with Washington's support, to those perpetrated by Hitler's hordes during World War II.

Referring to the volatile situation confronted by today's world, the minister of the FAR said that because of the resounding failure of his economic program, President Ronald Reagan boasted of having fulfilled the main objectives of his administration's foreign policy. However, he said, the present situation does not appear to totally corroborate any such electoral euphemism. In reality the general situation is very dangerous and filled with worrisome prospects for the present and for the immediate future. Nevertheless, there is a standing objective to which we must adhere so that we may see the forest despite the trees, he said, and added: [Begin recording] The triumphs and reversals of the revolutionary movement and the general balance of international events tends to favor the unstoppable course of mankind through the long road leading to the its final liberation. [end recording]

Further on, the second secretary of the party referred to the difficult situation faced by the capitalist world which ranges from a picture of unemployment and hunger to the many disagreements among themselves. He said that despite the difficulties confronting the socialist camp, in these countries the people's main needs have always been firmly guaranteed.

He stressed that Cuban communists are making efforts to make a reality of the country's economic development and difficulties notwithstanding, the last sugar harvest exceeded 8 million tons while at the same time other important achievements were accomplished. In this connection, he stressed the firm assistance of the brothers of the GDR, the Soviet Union and of the rest of the socialist community.

[Begin recording] On behalf of the Communist Party of Cuba Central Committee and of its first secretary, Comrade Fidel Castro, I assure you that the Cuban working class, the peasants and soldiers of our fatherland will continue to fulfill their revolutionary and internationalist duties and will forever carry the flag of socialism and communism high in this part of the world until victory. [end recording]

For his party, Army Gen Heinz Hoffmann referred to the efforts of the GDR to guarantee peace and stability in the world, and to the role played by the National People's Army in this connection in defense of the achievements of the German working people.

VALLADARES FREED FOLLOWING MITTERRAND PLEA

NC181801 Paris AFP in English 1723 GMT 18 Oct 82

[Excerpts] Paris, Oct 18 (AFP) -- Dissident Cuban poet Armando Valladares was released from jail in Cuba today following a personal request by French President Francois Mitterrand to Cuban leader Fidel Castro, it was announced here.

The 45-year-old poet, who languished 22 years in Cuban jails after being arrested in 1960 for plotting to overthrow the Castro regime, was to have been officially released in 1986 after serving a 25-year term.

A statement from the French presidential palace said Mr Castro was releasing the dissident poet "in response to a personal request" by the French president. Mr Valladares would shortly arrive in France, the statement added.

President Castro's decision to free Mr Valladares came several days after a visit to Havana by Regis Debray, Mr Mitterrand's special envoy to the Third World, the Elysee added.

President Castro's decision to accede to French demands for the poet's release apparently highlighted Havana's intention to develop special ties with Paris in order to counter international pressure against the island nation.

MONTONERO REPRESENTATIVE CALLS FOR PEOPLE'S FRONT

PA171851 Havana International Service in Spanish 1600 GMT 17 Oct 82

[Text] On Saturday the Peronist Montonero Movement [MPN] of Argentina reiterated its solidarity with the struggle of the people of El Salvador and Guatemala and its support for the revolutions of Cuba, Nicaragua and Grenada.

In an event held at the headquarters of the Cuban Institute for Friendship With Peoples in Havana on occasion of the 37th anniversary of 17 October, Guillermo Simpson, representative of the Argentine political organization in Cuba, expressed his confidence in the triumph of revolution in Latin America. Simpson urged all the democratic forces of the South American nation to establish a national people's front to consoldiate the people's movement in Argentina. The MPN leader said that his organization demands the immediate convocation of elections but he indicated that the organization will be in the first line of combat if this right is denied to the people.

In Argentina, 17 October is known as loyalty day. On that date in 1945 the Argentine people forced the reinstatement of Juan Domingo Peron as labor secretary. He subsequently held the presidency on three occasions until his death in 1974.

LEBANESE COMMUNIST LEADER VISITS AALAPSO OFFICE

FL182350 Havana Domestic Service in Spanish 2230 GMT 18 Oct 82

[Text] Nassir al-Asad, member of the Politburo of the Organization of Communist Action in Lebanon, has been received at the main offices of AALAPSO by its secretary general, Melba Hernandez.

During the fraternal meeting the Lebanese leader referred to the current situation of his people's struggle to maintain unity, democratic Arab identity and, together with the Palestinians, close ranks in confronting Zionism. Melba Hernandez reiterated AALAPSO's support for the just cause of the Lebanese and Palestinian peoples and assured him that this militant fraternity will continue until final victory.

CUBAN-LIBYAN TALKS TERMED SATISFACTORY

FL181632 Havana Domestic Service in Spanish 1500 GMT 18 Oct 82

[Text] Minister without portfolio Levi Farah visited the Socialist People's Libyan Arab Jamahiriyah on 7-14 October. During his visit he met with leaders and officials of the Libyan Government, principallly with Muhammad al-Manqush, secretary of housing and head of the Libyan side of the joint intergovernmental Libyan-Cuban commission.

Levi Farah and Jose Luis Avalo, the Cuban ambassador in Tripoli, visited the city of Benghazi, where they were received by the local authorities and (Najed Mijtalati), governor of the Libyan Central Bank. During the visit the two sides reviewed the cooperation between the two countries in a climate of friendship and fraternity. Both sides later declared that the results of the talks were satisfactory.

CABRIZAS HOLDS SUGAR TALKS, ENDS VISIT TO UK

FL152149 Havana Domestic Service in Spanish 2102 GMT 15 Oct 82

[Text] Cuban Foreign Trade Minister Ricardo Cabrizas today concluded a working visit to Great Britain during which he held several meetings dealing with the sugar markets' situation.

Cabrizas held a working meeting with (William K. Miller), executive director of the international sugar organization, and representatives of sugar-exporting countries which are members of the group. During the meeting the participants discussed the market's current situation and measures that could be adopted within the framework of the organization.

Cuban Foreign Trade Minister Ricardo Cabrizas' visit to Great Britain conlcuded with a second round of talks with (Miller) upon his return from Brussels, Belgium, where he met with officials of the EEC to discuss the situation of the world sugar market.

ANGOLAN DELEGATION ARRIVES ON OFFICIAL VISIT

FL181241 Havana Domestic Service in Spanish 1145 GMT 18 Oct 82

[Text] Lucio Lara, member of the MPLA-Labor Party Politburo has arrived in Cuba on a friendship and work visit at the invitation of the Central Committee of our party. The Angolan delegation was received by Jose Ramon Machado Ventura and Jorge Risquet, members of the Politburo; Div Gen Abelardo Colome Ibarra, first vice minister of the FAR; and Jesus Montane, member of the Central Committee Secretariat. During his visit to Cuba, Lucio Lara will meet with leaders of the party and mass organizations and will visit industrial and agricultural production centers in the country.